

by DENYS SUTTON, Editor of Apollo

Leighton: Daedalus and Icarus

by RONALD HOLLOWAY

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Petrassi by WILLIAM WEAVER

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The American Society of Composers, Authors and Publishers has awarded an ASCAP-Deems Taylor prize to Andrew Porter for his collection of New Yorker reviews, published last year as *Musical Season*.

Notre Faust by OSSIA TRILLING

Peter Breuer in the London Festival Ballet's production of 'The Nutcracker,' which opened at the Royal Festival Hall on Boxing Day. **Clement Crisp** will review this later in the week

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OVERSEAS NEWS

Indian elections put off for a year

BY K. K. SHARMA

NEW DELHI, Dec. 29.

INDIA's general election due in February will be postponed by at least a year and the country's State of Emergency proclaimed in June will continue in force. Major constitutional changes will also soon be introduced after a "countrywide debate" on them. These were the main reasons for the decision to postpone the elections to be held by the All-India Congress Committee, the supreme body of the (Ruling) Congress Party on the first day of its annual session near Chandigarh, the Punjab capital.

They need approval by Parliament, which is to meet on January 5, but are bound to pass because the (Ruling) Congress has a huge majority. Moreover, Mrs. Indira Gandhi, India's Prime Minister, intervened in the debate to speak strongly in favour of continuing the Emergency and for an amended resolution extending the life of Parliament.

The amendment said "in the light of internal and external subversion and in order to ensure continuity in bringing about economic and political stability, the Congress calls upon the Congress Party in Parliament to take appropriate action under Article 33 of the constitution to extend the life of the present Lok Sabha (Lower House of Parliament) by one year."

According to Article 33 the normal five-year term of the Lok Sabha may, while a proclamation of emergency is in operation, be extended by Parliament by law for a period not exceeding one year at a time and not exceeding in aggregate the period of six months after the proclamation has ceased to operate. This makes it certain that the Emergency, strongly defended by Mrs. Gandhi to-day, will also last at least one year more.

The Congress resolution said that "while dangers lurk and our internal tasks remain unfinished, the Emergency which was proclaimed to meet an immediate threat now requires to be continued till there is the fullest assurance that these dangers have been contained." Far from relaxing the Emergency laws, the resolution says "on the other hand each step brings awareness of the fact that the forces of destabilisation are still actively at work within the country and outside."

Another important feature of the resolution is the plea for re-examining the Constitution "thoroughly." This has become necessary, it says, for ascertaining "if the time has not come to make adequate alterations to it so that it may continue as a living document, effectively responding to the current needs of the people and the demands of the present." Among the reasons for the constitutional changes is "the flexibility and responsiveness are the essence of any living social organism such as a constitution. Form and spirit must inevitably change in order to preserve the spirit."

The resolution therefore considers it important that "our Constitution must itself serve as an instrument of change and also be capable of being altered, whenever necessary, in order to give fuller expression to the spirit of democracy and egalitarianism and the principles of our people."

Follow my leader Page 15

Algeria, Libya, seek closer ties

ALGIERS, Dec. 29.

ALGERIA and Libya announced to-day that they will "institutionalise" their relations to defend their revolutionary regimes and combat threats to the Arab nation.

The two North African nations said they will establish "organic or vital links between each other complete with period summits of their leaders." The decision was made public in a communiqué at the end of a 36-hour conference between Algerian President Houari Boumedienne and Libyan Chief of State Muammar Khedafi. Boumedienne told reporters that he and Khedafi have decided to stand together against threats to both the Palestine and Spanish Sahara.

There was no immediate indication how Libya and Algeria would achieve their planned "institutionalised" relationship. Libya's past attempts to merge with Egypt and Tunisia collapsed shortly upon their conception.

The pledge appeared chiefly designed to allow Algeria to win a friend in North Africa in its confrontation over Morocco's occupation of Spanish Sahara.

Algeria has agreed to free the pro-Palestinian guerrillas who kidnapped the world's top oil ministers from the Organisation of Petroleum Exporting Countries (OPEC) headquarters in Vienna, the Algiers correspondent of the Tehran newspaper Kayhan reported to-day.

The report said the guerrillas negotiated their freedom with Algerian Foreign Minister Abdel Aziz Bouteflika in return for their hostages.

Khaled fails to bridge Syrian-Egyptian differences

BY OUR FOREIGN STAFF

EFFORTS by King Khaled of Saudi Arabia to resolve the increasingly bitter dispute between Egypt and Syria over the Sinai agreement appear to have met with little response in Damascus. Indeed the visit by the Saudi monarch, expressions of goodwill and exhortations to Arab unity apart, appears to have been less than a complete success according to well-informed diplomatic sources.

Especially noticeable was the fact that no joint communiqué was issued at the end of the visit—merely a Press release praising the "excellent and traditional good relations between the two countries." At the same time it is reliably reported that Syrian

hopes that King Khaled would offer further, much-needed financial aid to the Ba'athist regime were dashed. There has apparently been no offer of aid or at least in a form which the Syrians found acceptable.

With momentum in Middle East negotiations apparently at a standstill following the agreement between Egypt and Israel, the Saudi leader's prime objective appears to have been to explore the areas of possible compromise between Syria and Egypt.

In the event President Assad, who appears to be making a serious attempt to wrest the diplomatic initiative from President Sadat reportedly stood firm on Syria's claim that the Egyptian leader has done a disservice to the Arab cause and must be reconciled with King Khaled were frank to the point of bluntness on this point and he reportedly told the Saudi monarch that "it is not enough to embrace," but that fundamental issues were at stake.

The only bright spot of the Saudi King's trip—which also took in Jordan—was some progress on the search for a peace formula in the Lebanon. Here King Khaled has backed a formula which is apparently being given serious consideration by all sides in the conflict.

The Saudi monarch's visit came at a particularly sensitive time for the Syrian leadership amid reports from Cairo that up to 300

leading members of the Syrian Communist Party had been imprisoned by President Assad.

The facts over this curious episode, which Egypt has clearly got a vested interest in keeping alive, are still far from clear. However, reports from Damascus yesterday claimed that Mr. Khalid Baghdadi, the party leader who was said to have fled the country, had been seen entering the Syrian Parliament on Sunday to attend a debate on domestic matters.

Officials in the Syrian capital continue to deny that there has been any purge of the Communist Party—which has two Ministers in the National Progressive Front (basically a rubber-stamp coalition Government) and Egypt as the leading Arab voice.

'Too many Arab mediators' in Lebanon

BY IHSAN HIJAZI

THE numerous Arab offers of mediation in Lebanon may both Iraq and Egypt were trying to undermine Syrian endeavours to get Lebanon out of the eight-month old national strife.

The newspaper alleged that the call by Mr. Riad was meant to pave the way for Egyptian intervention in Lebanon. It added that the Iraqis were not so much interested in finding a solution to the Lebanese crisis as they were in ensuring that the next Lebanese president would be favourable to Baghdad.

It attached special attention to the fact that the head of the Iraqi delegation now in Lebanon, Information Minister Tariq Aziz, met yesterday with two presidential hopefuls, Central

Bank Governor Mr. Elias Sarkis, and Mr. Michel El Khoury, the son of the late President Bechara El Khoury.

Observers noted that if Syria rejects the Arab League bid for a joint Arab plan of action, the plan may have very little chance of succeeding.

At any rate, Syria is not giving up, and has remained in touch with President Suleiman Franjeh in an effort to have him agree to Syrian proposals for solving the crisis.

Dr. Lucien Dabbab, a former foreign minister and a relative of Mr. Franjeh's, visited Damascus on Saturday for the second time in one week.

Mr. Franjeh was reported to have insisted on a cover by his

Israel, Egypt settle listening post dispute

TEL AVIV, Dec. 29.

ISRAEL and Egypt to-day resolved their dispute over the construction of an Egyptian electronic surveillance station in the Sinai and Egyptian engineers will begin building the post in two days, a UN spokesman said.

Agreement by Israeli and Egyptian army officers meeting at a UN post at Baluza in north-western Sinai resolved the most serious dispute in working out the interim peace agreement.

Details of how agreement was reached were not immediately available, but diplomatic sources said Egypt did not request that its peace monitoring station be built on a plot of ground twice the size approved by Israel.

Bhutto cracks down on Opposition leaders

BY IQBAL MIRZA

KARACHI, Dec. 29.

THREE prominent Opposition leaders have been arrested in an unknown place. Mr. Marshal Shahwar, having failed to persuade the Government through negotiations to lift the restrictions and relax different curbs on normal political activities in the country, the Opposition leaders have begun defying the law.

The chief of Tehrik Istislahi Ait Marshal Asghar Khan, leader of Jamiat-e Ulema-i Pakistan, Maulana Shah Mahmud Noorani and Gohar Ayub, a former President Ayub's aide and a member of Tehrik Istislahi were picked up by the police in Peshawar and taken to an unknown place. Mr. Marshal Shahwar and Gohar Ayub were on their way to address a public meeting in violation of the section 144 order banning assembly of five or more persons, while Maulana Noorani was taken into custody at the airport.

In Rawalpindi, police have registered a complaint against former registered member of the Punjab, Malik Ghulam Mustafa Khar and Chudhry Zahur Ullah, member of the National Assembly for violating section 144 and defying the ban on the use of loudspeakers.

Portugal to maintain presence off Timor

BY IGBAL MIRZA

DARWIN, Dec. 29.

PORTUGAL is sending a corvette to East Timor waters to maintain its presence there, a Portuguese spokesman said here to-day.

Portugal's last territorial toe in East Timor—offshore Aturo island—was occupied by Indonesian-led troops yesterday, a radio report to-day from Dili, capital of East Timor, issued on authority of the pro-Indonesian provisional government.

An Indonesian flag had been hoisted on Aturo, apparently with the consent of a tiny Portuguese-appointed garrison.

Indonesia says its troops are in East Timor at the request of Fretilin opponents, which claimed independence from Portugal. Fretilin's opponents demand integration with Indonesia.

Then civil war broke out in East Timor, Aturo became the seat of the Portuguese colonial administration, but its members were evacuated by the corvette Ruby earlier this month.

Portugal to-day that the corvette would sail for East Timor waters on Wednesday, the Portuguese spokesman here said: "We want to maintain a presence in the area, even though we no longer appear to have any land."

● The Australian Government to-day called on Indonesia to allow the resumption of humanitarian aid to East Timor and to admit a UN observer without delay or prevarication.

Foreign Minister Andrew Peacock, in a statement released here, said the Australian Government had made several approaches to Indonesia to allow International Red Cross teams to resume relief programmes in East Timor.

The statement was released amid reports of renewed fighting in East Timor between fugitive factions of the Fretilin independence party and pro-Indonesian forces backed by Indonesian troops.

● Chinese Vice-Premier Han Nien-jung held talks to-day in Peking with Rogério Tiago de Fatima Lobato, leader of the Fretilin faction in East Timor, the New China News Agency said.

Morocco controls El Aaiun

BY IGBAL MIRZA

RABAT, Dec. 29.

MOCCAN troops have taken control of the civil and military air base at El Aaiun, the capital of the Western Sahara, from Mauritania.

The only Spanish troops left in the Western Sahara are at Dakhla (Villa Cisneros) 300 miles south of El Aaiun. They are due to be withdrawn by January 15 next year.

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BRIEF

Israeli deficit reaches to \$2.9bn. Israel's balance of payments rose by 11 per cent in the nine months of this year to m. Nearly half of the deficit due to imports of defence articles which totalled \$1.4bn, whereas at \$982m. from May to September, 1974, they accounted for 38 per cent of the deficit. Unilateral capital flows to Israel during the nine months of this year at \$1.4bn (44 per cent of the total) were down to \$8 per cent. Israel's total debts stood at \$1.49bn. in the first months of the year against \$933m. a year earlier. Assets which include exchange reserves, deposits and loans) stood at \$1.10m. against \$997m. a year earlier.

Kenyan dispute Kenyan constituents of Kenyan Community and Industry Minister Nyo Kiano to-day threatened to expel him from his membership of the ruling Kenya African National Union (KANU). The threat to expel Dr. Kiano from KANU, which would automatically deprive him of his seat in Parliament, came after the Minister refused to accept a vote removing him from the chairmanship of his local party. The dispute, which is dominating Kenyan politics, arose after Dr. Kiano's opponents criticised him for his party activities. Speakers at the meeting of the local party complained that party leaders had tried to extend their control to local as well as national level.

Thai-Laos border The border between Thailand and Laos was briefly reopened to-day near Vientiane, yesterday to allow various Governments to send supplies to their embassies in the Laotian capital. The border had been closed since last month after a clash between Thai and Pathet Lao troops. A spokesman for the Thai Foreign Ministry in Bangkok said earlier yesterday that Thailand had told Laos it was considering reopening the common frontier. The Thai say there has been no serious incident along the frontier for some time.

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EUROPEAN NEWS

Soviet-Turkish summit to seal friendship pact

BY METIN MUNIR

ANKARA, Dec. 29.

TURKEY and the Soviet Union have decided to hold a summit meeting to sign a document on co-operation to be signed in the near future at a high-level meeting.

The intention to sign such a document was a totally unexpected development, proving that the Soviets are making headway in their overtures of friendship towards Turkey initiated in the late 'sixties.

However, the prospective accord falls short of the Soviet aim to sign a treaty of non-aggression with Nato-member Turkey. Even so, it marks a high point in the rapprochement following centuries of frigid enmity and 13 ruinous wars.

The accord would not appear to mean that Turkey is on the way to leaving Nato and joining the non-aligned camp, a prospect

dearly sought by the Soviets. Rather, Turkey is claiming its own benefits from détente.

Political observers say that Turkey's desire to become more friendly with the Soviet Union was prompted by its disappointment in its alliance with the U.S.

The congressional ban on arms supplies to Turkey after the Cyprus war partly lifted last October sharply eroded Washington's credibility as a partner in a future war here.

Turkey has not rescinded its decision to shut down the American bases on Turkish soil and abrogate its defence treaty with the U.S.

Soviet diplomats here have been dropping hints that Moscow will be displeased if the bases are likely to be reactivated.

Spaniards warned they face 'grave economic difficulties'

BY ROGER MATTHEWS

MADRID, Dec. 29.

SPAIN FACES grave economic difficulties in the immediate future according to the newly appointed Minister of Finance, Sr. Villar Mir. Addressing the right-wing dominated Cortes, the Minister said today that there were solutions available, but these would depend on the willingness of everyone to participate.

The Minister, who until recently headed one of the country's main steel-producing companies, argued that it was not enough for Spain to wait for the reactivation of other western economies. While this would obviously have an important effect on the Spanish

economy there had to be a simultaneous internal effort to correct the present problems.

Deputies to the Cortes said that the major part of Spain's problems were generated internally. "During the past two difficult years we have consumed more than we have produced," they said.

As there have been no exports and not more we have tended to lose control over the relation between prices and salaries, and at a time when other nations are on the way to solving their difficulties we are facing fundamental problems such as inflation, the balance of payments, a standstill in production, the threat of mounting unemployment and recession in investment.

Spaniards had to limit their aspirations over the short term in order to consolidate the gains previously made, especially if the desired goal of full employment was to be achieved. This was particularly relevant in Spain, said the Minister, where the active workforce was an alarmingly low 38 per cent of the total population.

As there was substantial under-employment in the agricultural sector, it could be reckoned that only 33 per cent of Spain's population was actively employed.

The Minister's words contrast sharply with growing labour unrest over the legal curbs on wage rises, which limit them to the cost of living increase over the past 12 months plus, in some cases, 3 per cent. Illegal political parties on the left are obviously pushing economic claims to the fore in their struggle for democratic liberties, and it may be that the Government as a whole will be wary of following too austere a programme in the coming year.

In the militant Basque provinces, where over a quarter of Spain's economic strength is concentrated, a group of parties headed by the Communists yesterday formed an alliance to push their demands. An estimated 2,000 people gathered in the town of Guernica, the spiritual home of Basque nationalism, to hear the declaration read. Police were on hand but made no move to intervene.

Several important parties have not joined the alliance, stressing the difficulties that the Left is still having in its attempts to find a common platform.

Lisbon radio handover

LISBON, Dec. 29.

THE ANTI-LEFTIST drive in the Portuguese news media gathered strength today with the handing back of the Roman Catholic Radio Renascença to the church hierarchy and the military occupation of a radical provincial newspaper.

One of the main Lisbon daily newspapers, *Seculo*, reappeared today for the first time since the failure of last month's Left-wing uprising, under a new pro-Government editorship.

A statement from the Ministry of Information said the Lisbon studios of Radio Renascença had been officially handed back to the church seven months after they had been taken over by Left-wing workers.

Radio Renascença is the only major station to have been exempted under the Government's recent nationalisation decree. The military leadership ordered the

radio's Lisbon transmitter to be blown up last month in a first attempt to silence its Leftist occupiers.

Radio Renascença has, however, continued broadcasting from its studios in the northern city of Oporto which remained faithful to the hierarchy and took a strongly pro-government line during last month's military rebellion.

O Seculo today reported that another newspaper which fell to the Leftists in the long battle for the control of the news media during the last 20 months of revolution had been silenced by the military.

The weekly O Setúbalense, under the control of leftist printers, defied a week-long ban on all publications during the state of siege proclaimed after the November 35 uprising.

Italy economy plan 'not sacred'

BY DOMINICK J. COYLE

ROME, Dec. 29.

ITALY'S medium-term economic recovery plan, details of which have now been cleared finally by the Cabinet following months of political wrangling and after discussions with both sides of industry, is not a sacrosanct blueprint, according to Sig. Giulio Andreotti, the Budget Minister.

On the contrary, the Minister has, in effect, invited amendments from both the Socialists

and the Communists, emphasising in a post-Christmas comment that the plan's details are "untouchable" and that its provisions are open to significant alterations.

This gesture of moderation is presumably designed to facilitate parliamentary approval early in the New Year of the plan's main provisions, which are being costed variously at \$26bn. over three years or close to \$40bn. between now and 1980.

The plan covers further massive financial aid for the still greatly depressed southern region (the Mezzogiorno), for industrial reconstruction, mainly in the state sector—and to cope with short-term unemployment and the now even more prevalent underemployment. Details were published finally on Christmas Eve but failed to resolve a great deal of confusion as to the precise capital investment involved.

Equally or indeed even more unclear are the government's plans for funding the recovery programme. The 1976 budget on capital and current account is in deficit to the tune of some \$1bn. and this deficit is rising with each new revision and looks like representing about one tenth of estimated GNP next year, even before any new spending plans are added as part of the medium-term recovery programme.

Italy's balance of payments position has, of course, improved dramatically this year, with January-September provisional returns showing a surplus of \$180m. compared to a \$870m. deficit in the same nine months of 1974. However, the credit must go mainly to the recession, with a sharp decline in imports and an improvement in earnings on invisible account.

Yugoslav budget passed

BY OUR OWN CORRESPONDENT

BELGRADE, Dec. 29.

AFTER LONG and strenuous debate, the Yugoslav Parliament last week finally passed two basic documents for 1976: the resolution on economic policy, which is the equivalent of the annual plan, and the federal budget. Both foresee a moderate rate of economic growth.

Gross domestic product is expected to increase by 5.5 per cent in real terms (industrial production 6 per cent, and agricultural 4 per cent), employment by 3 per cent, consumption by 4.7 per cent, fixed investments 8 per cent, inventories and reserves by 1.2 per cent, and

general and common consumption 1 per cent. Inflation should slow down.

The maximum balance of payments deficit tolerated will be \$1bn. Exports are planned to increase 6.5 per cent in volume and of goods only 6 per cent. Provided the planned exports are realised, imports will be allowed to rise 2 per cent with a corresponding increase in the foreign trade balance.

There should be more materials (up 3.5 per cent) and fewer equipment imports (down 5.5 per cent).

When he proposed a voluntary pay pause lasting at least until the end of 1976, the Premier made it plain that the alternative was a "disastrous" drop in Ireland's exports as they became progressively less competitive and a corresponding rise in the already serious unemployment situation.

With next year's total state deficit in danger of reaching \$1bn. and inflation expected still to be running high at over 15 per cent for the year, even against almost 21 per cent for 1975, the government believes that the cold facts of the economic crisis speak for themselves.

Mr. Cosgrave has been careful not to rule out the possibility of a statutory pay pause as a last resort, although politically it would be a dangerous move.

Apart from the electorate's reaction to an imposed wages policy, it is unlikely that it would receive the unstinting support of the Labour Party members of his coalition government. But the unions have nevertheless rejected any total wage freeze.

Cosgrave outlines emergency package

BY GILES MERRITT

DUBLIN, Dec. 29.

THE IRISH Government today outlined the details of an emergency economic package it has put together in a bid to gain trade union approval for the voluntary pay pause it called for earlier this month.

At a special meeting with trade union leaders and employers' representatives, Ireland's Premier, Mr. Liam Cosgrave, is understood to have spelled out the government's intention to freeze dividends, rents and directors' fees and "restrain" hire purchase charges, professional fees and bank charges in return for a voluntary nine-month pay pause during the past three quarters of 1976. The measures are intended as an acceptable alternative to the price freeze unions are seeking.

Today's meeting follows the unions' outright rejection of the pay pause just over a fortnight ago and a lengthy cabinet meeting shortly before Christmas at which these latest proposals were hammered out.

All the indications are, however, that today's talks mark

only the first round in a month-long bargaining session. The government has stressed that agreement is vital before January 23, the date on which Finance Minister Mr. Ritchie Ryan is now due to announce his 1976 budget, and the unions will no doubt use that deadline as a bargaining counter.

Although the government is clearly prepared to make many more concessions to the unions than when the pay pause was first mooted on December 10, and where applicable these concessions have been endorsed by the employers—fresh conflict is now thought to have arisen over union demands for either reduced wage increases geared to the cost of living index or a ceiling similar to the \$6-a-week limit in the U.K. Faced with a budget that promises to be the harshest in Ireland for 30 years, and a spate of swinging increases this month in electricity, postal and telephone charges, the unions are apparently determined to bring even limited pay rises

from Mr. Cosgrave.

Report on closer EEC union ready

By David Curry

BRUSSELS, Dec. 29.

THE REPORT commissioned by the Council of Ministers from the Belgian Prime Minister, Mr. Leo Tindemans, on how to achieve closer union in the Common Market will be sent to the member governments of the EEC to-morrow.

Mr. Tindemans was asked to make the study a year ago. Its object was to provide the Community with some basic ideas around which to organise the debate on how to move forward politically and economically to work greater union. He began his work in the light of the crumbling of the Community's hastily-defined ambition to achieve economic and monetary union by 1980.

Although the Belgian Premier had assiduously contacted important pressure groups in each member country as well as the ruling governments of the Nine, he has been at pains to emphasise that the report will be something of a personal credo. It will not, he has stressed, simply represent the lowest common denominator of the views expressed to him. It is Mr. Tindemans's strongly-held view that the Common Market must make some decisive move forward or risk a complete reversion to nationalistic habits of mind.

As a representative of one of the EEC's small countries and as a Prime Minister of a country which is plagued by the bitter and persistent snubbing between Dutch and French-speaking populations, Mr. Tindemans has a strong sense of much mischief in nationalistic attitudes. However, as a politician reared in the Belgian tradition of exhaustive compromise between pressure groups, his report is likely to serve the role of realistic targets and the avoidance of dogmatism about how to reach them.

This tradition makes it unlikely that he will make sweeping recommendations for institutional changes.

More Turks for Cyprus' charge

By Our Own Correspondent

NICOSIA, Dec. 29.

THE CYPRUS Government charged today that Turkey was stepping up efforts to colonise the northern part of the island with settlers from mainland Turkey. It claimed to have reliable information that Turkey plans to send another 20,000 settlers soon in addition to the 20,000 reportedly already there.

A spokesman claimed Turkey's aim was to increase the Turkish population from its original 129,000 to 160,000 while peace talks on the island's problem were going on—and before an agreement was reached—in order to change the demographic structure of Cyprus. "Talks between the two communities are expected to be resumed early in the New Year."

Our Athens Correspondent writes that German Chancellor Helmut Schmidt and Greek Premier Konstantinos Karamanlis today underlined the need for a peaceful and permanent settlement of the Cyprus issue but said that any agreement should guarantee the independence, territorial integrity and sovereignty of the Cyprus republic.

A communiqué issued at the end of a two-day official visit by Chancellor Schmidt to Greece said the two leaders agreed that a solution to the Cyprus problem should be sought through the inter-communal talks and expressed the hope that when these talks are resumed under the auspices of the UN Secretary General, both sides will show a sincere desire to reach an equitable agreement.

Bert Schmidt clarified during a Press conference that the Greek Government would mediate but had offered its good services to both Greece and Turkey to help them solve their disputes. These include the Cyprus issue and territorial disputes in the Aegean.

IN BRIEF

French price rises slow down

The French retail price index rose only 0.6 per cent in November, the best monthly performance this year and one that ensures that the total 1975 increase will be held beneath 10 per cent. The November increase means that for the first 11 months the index has climbed by only 8.5 per cent, meaning that France will have escaped double digit inflation in 1975 after 15.2 per cent last year.

Death clue reward

The Greek Ministry of Public Order yesterday offered Drachmas 5m. (£71,400) for information leading to the arrest of the three gunmen who assassinated CIA agent Richard Welch in Athens last Tuesday.

Sweden shortage

Sweden is not breeding like the rest of the world. In 1975 population figures, calculated by the Central Bureau of Statistics show live births per 1,000 population have steadily declined from 13.8 in 1973 to 12.6 at the end of this year. The lowest first-time records were started 200 years ago.

HOME NEWS

Truck exports overtake overseas car sales

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITAIN'S commercial vehicle exports, after impressive gains over the year, earned more last month than overseas car sales.

Figures issued yesterday by the Society of Motor Manufacturers and Traders show that Commercial vehicles made £32.9m. overseas last month, taking the lead marginally over cars, which made £32.8m.

One month's statistics can be misleading, but the results confirm the importance of commercial vehicles in maintaining Britain's healthy motor industry exporting record this year.

Cars have slipped back in importance last month, the value of car exports declined by 10 per cent, and over the year it has increased by only 14 per cent—but the earnings of van and truck sales overseas have gone up by 71 per cent in the first 11 months. They have now made £386.8m. against £441.4m. for car exports over the same period.

The figures suggest that a

significant shift of the British motor industry's exporting effort (thereby exceeding the value of car exports by £12.5m.), and over the first 11 months, expenditure on car imports has risen to £471.3m., some £30m. more than last year.

British Leyland has been an ambitious car exporting target for the Ryder report proposals, which could improve the figures in this sector next year, and truck exports have been helped this year by the buoyancy in many developing markets, particularly in the Middle East.

Most of the British truck manufacturers have helped to achieve this year's improvement, but by far the best results have come from British Leyland's truck and bus division.

Leyland increased overseas earnings in its financial year to September by 75 per cent, to a total of £142m., including spare parts.

Britain has continued to spend heavily on car imports. The value of imports rose by 48 per

cent to \$45.4m. last month (thereby exceeding the value of car exports by £12.5m.), and over the first 11 months, expenditure on car imports has risen to £471.3m., some £30m. more than last year.

Apart from commercial vehicles, the components industry and specialised vehicles such as tractors, dump trucks and trailers have had a successful year so far, although exports in the components sector have tailed off in the last few months.

Last month the export of components, which earn more than any other motor industry products, made £59.1m., an increase of only 15 per cent on the same month last year.

Over the first 11 months, however, the components industry has increased the value of its exports by 33 per cent to just over £1bn., and the motor industry as a whole is up by 38 per cent at £2.3bn.

International committee backs U.K. accountants on inflation

BY MICHAEL LAFFERTY, CITY STAFF

THE International Accounting Standards Committee is expected to publish on January 6 an exposure draft on inflation accounting which lends support to the compromise system proposed by the British accountancy bodies after the report of the Sandilands Committee.

The IASC, which is based in London, represents the accountancy professions of 30 Western countries and is responsible for the development of common international accounting standards.

The IASC draft (28: Accounting Treatment of Changing Prices) rejects accounts based on historical costs and gives the option of providing information on a current value basis, as recommended in the Sandilands Report, or a schedule index purchasing power (GPP) basis, as proposed by the Financial Accounting Standards Board in the U.S. and, until recently, by the Accounting Standards Committee in the U.K.

Current value accounting measures that fixed assets and inventories are stated in accounts at their current value to the business, generally replacement cost, instead of at historical cost. As a result, the profit and loss

accounts of industrial and most other companies would include higher charges for goods consumed and depreciation, thereby giving reduced profit figures.

GPP accounting, on the other hand, simply involves the conversion of the historic cost accounts by the application of a general purchasing power index similar to the Consumer Price Index.

The IASC, in paragraph 18 of the exposure draft, goes on to consider the possibility of combining elements of current value and GPP accounting. This is in line with the approach adopted by the U.K.'s Consultative Committee of Accountancy Bodies (CCAB).

The British accountants want to see current value accounts supported by a schedule index purchasing power (GPP) basis, as proposed by the Financial Accounting Standards Board in the U.S. and, until recently, by the Accounting Standards Committee in the U.K.

Mr. Peter Shore, Trade Secretary, broadly accepted the Sandilands Report in November and asked the CCAB to set up a steering group under the chairmanship of Mr. Douglas Morpeth to implement a system of inflation

accounting in the U.K. by December 1977.

Recently, difficulties in completing the membership of the 12-man group forced Mr. Morpeth to postpone an announcement until early next week.

The IASC, which was established in 1973, has already issued accounting standards on the disclosure of accounting policies and inventories in the context of the historical cost accounting system.

Exposure drafts—discussion documents issued for public comment prior to the issuance of definitive standards—have also been issued on consolidated accounts, depreciation, and the disclosure of information in financial statements.

The General Assembly of the International Federation of Stock Exchanges decided last year that its members—which include most of the world's important stock exchanges—should include reference to IASC standards in their listing requirements.

The IASC decision to publish an exposure draft on the most controversial topic facing accountants today—inflation accounting—will be seen as a measure of its growing confidence and authority.

Pardoe asks for IMF loan details

By John Hunt

A DEMAND that the Government should release details of the rates of interest which it pays on official foreign currency loans has been made by Mr. John Pardoe, the Liberal Party's economic spokesman.

Mr. Pardoe has complained to the Chancellor that the practice of not disclosing such information dates from 1964.

"This is one of those customs we could well dispense with. There appears to be no conceivable reason why the British Government should not come clean about the interest rates it is paying."

Mr. Pardoe wants Mr. Healey to disclose the rate of interest and any commitments other than those payable to the IMF for the £276m. loan which was recently advanced to Britain.

He also wants to know all sources from which the current account deficit is being financed together with the rate of interest; and the rates payable by the U.K. on all sources of official foreign currency borrowing plus the comparable rates for money payable by borrowers from the IMF.

Mr. Pardoe's letter to Mr. Healey says that people in most of the world's financial centres are asking what the Government is paying for money, but at times "strange rumours" appear giving the impression that the British Government is a bad risk and has to pay substantially higher rates of interest than other countries.

Britain's State pensions still behind all EEC countries

BY ERIC SHORT

OLD-AGE PENSIONS in the U.K. are still behind those in all other EEC countries, according to figures published yesterday by consultants Noble Lowndes, an earnings can expect a pension of 52 per cent of final earnings.

The only tangible move towards pensions harmonisation within the EEC has been the implementation of the multi-lateral agreement on social security, which co-ordinates benefits for migrant workers.

says the report. In social security benefit levels and contributions, it shows that considerable differences remain between member countries.

In the private pensions sector, however, the guide shows that Britain and Ireland are ahead of other countries both in scheme design and funding techniques.

Consequently, members of private schemes in the U.K. generally fare better than those on the Continent.

Noble Lowndes says that this lack of development in private pensions, it shows that the higher level of State pension income tax.

The report points out that a gradual improvement will take place in the size of U.K. pensions when the Social Security Pensions Act, 1975, becomes the U.K.

effective in April 1978. But this scheme will not reach maturity until 1998, when a married man retiring on national average earnings can expect a pension of 52 per cent of final earnings.

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House costs 'will remain stable'

By Michael Cassell, Building Correspondent

HOUSE prices should remain relatively stable well into the middle of next year, according to the Anglia Building Society.

Mr. Peter Wilkinson, chief executive of the Anglia, says in his periodic journal that house prices this year have risen by an average of only 8 per cent, which represented a virtually stable market at a time when inflation generally had topped 25 per cent.

Mr. Wilkinson points out that the background to the housing market has not been dissimilar to that in 1974, when prices rose by up to 30 per cent. There was heavy demand for homes, incomes had been rising and a shortage of houses existed.

"The important difference between then and now is in the attitude and confidence of house purchasers. The availability of credit facilities is not a major factor since people will only take advantage of credit to the extent of what they can, or want to, afford."

Mr. R. J. Cook, Anglia's chief surveyor, says that there had been exaggerated talk of increasing house prices this year.

"Compared to the galloping inflation affecting almost every other commodity the housing market is virtually stable."

"We believe that this price stability will continue into the foreseeable future. House buyers should beware, it is very easy to be rushed by such talk into paying an unduly high price."

With the general lack of confidence, as well as limitations on wages and salaries, the trough in house prices could well last into next summer at least.

The Sex Discrimination Act would have little effect on building societies' lending policies, said Mr. Norman Forster, Building Societies Association secretary general. Member societies had been recommended for a long time to give equal treatment to single men and women.

REPORTS of a poor Christmas for the wine trade are supported by the latest Customs and Excise statistics about clearances from bond. But more sober than ever is being drunk, according to duty payment figures.

The volume of production and do not disclose the extent of trading down by the public to less expensive products—a feature of the liquor retailing industry in recent months.

They show that the brewers rolled out 3.42m. bulk barrels in October, equivalent to more than 9.25m. casks.

This was 406 per cent, above output in October last year and gave the brewers their best October since records were first collected in their present form in 1929.

Sales were particularly helped by the fine weather continuing well into the autumn.

The wine statistics show that in October clearances from bond were 7 per cent below those for the same month last year at 9.6m. gallons. Imported wine clearances accounted for 2.37m. gallons, a drop of 4.4 per cent.

From October to this month, brewers prepare to move goods at maximum speed to meet consumer demand. "Many countries have said that even this year's harvest has to be sold at full strength, however," said Mr. David Rutherford, chairman of the Wine and Spirit Association.

"Before the Budget we warned that the wine industry could not go on accepting duty increases or revenue would in the long run suffer. These figures support that view," said Mr. Rutherford.

Cost of solid fuels to rise

By Roy Hodson

PRICES of solid smokeless fuels are to go up by between 2 per cent and 5 per cent from January 12. The price of household coal—more than half the cost of domestic market for solid fuel—will be unchanged.

The National Coal Board said yesterday that the increased prices of anthracite and dry steam coals—natural smokeless fuels—are designed to pay for expanded production from open cast sites and a new anthracite pit in South Wales.

Increases in the prices of manufactured smokeless fuels, such as Phurnaceite, Homefire and Sunbrite, are to meet higher processing costs.

The Board still hopes to get up through the winter. In 1976, general price increases for coal will be covered by a new distribution cost.

The Solid Fuel Advisory Service said that the increases in Sir Ronald Emswiler's fuel prices to meet the cost of a new plant at Blyth, on to customers and may be met by a further price increase in the future to cover rising distribution costs.

In Northern Ireland, the value of bank notes in circulation reached a new record of £271,506,388 on last year's end of Christmas. Inflation, however, more than accounts for the difference.

Complaint upheld



Mrs. Margaret Thatcher

Mr. Aristotele Onassis

King Feisal

Lord Ryder

Lord Lucan

Emperor Haile Selassie

General Franco

King Juan Carlos

1975

● BRITAIN'S 'YES' TO EEC ● VIETNAM WAR ENDS
● NORTH SEA OIL FLOWS ● UNEMPLOYMENT RISES
● EVEREST RECONQUERED ● CHRYSLER RESCUE PLAN

Compiled by Michael Thompson-Noel

JANUARY

THE YEAR opened briskly, the Government going to the rescue of Burmah Oil. The Bank of England announced a 12-month breathing space for the company and guaranteed its \$600m. foreign currency borrowings.

Some 11,000 NHS consultants began a work to rule, and Arts and business started in the New Year's honours list (life peerages for Sir Derek Pritchard and Mr. Patrick Gibson, the KBE for Charlie Chaplin). British Leyland's shop stewards forecast a total State take-over and the British Steel Corporation put a 25p. price tag on its ten-year development plan.

BRUSSELS: Sourness at the sugar talks. In Dublin: an end to the Provisional IRA's Ulster ceasefire. Imperial Typewriter said it was quitting Britain, the Government abandoned the Channel project and hopes of a rescue for Nation Life Insurance collapsed.

In the Commons, Mr. Healey called Mrs. Thatcher the "Pantomime of Privilege" after her driving attack on CBI. She said he was "just plain cheap". An unemployed demolition contractor won £600,000 on the football pools and on

January 24 the FT 30-share index rose 10 per cent. plus to 217.0, its biggest-ever one-day gain. Dr. Cogan was enthroned 101st Archbishop of Canterbury, unemployment rose to more than 3 per cent. and the cost of a colour TV licence to £15.

The CBI painted a grim picture of growing cash problems in manufacturing industry and LR Industries was ordered to cut the price of contraceptive sheaths.

ROME: Thieves stole Raphael's "The Mute" and two paintings by Piero della Francesca in Italy's most damaging art theft since the war. Lady Plowden became chairman of the IBA. In the U.S., unemployment moved to 8.2 per cent., the highest since 1941. Mr. Wilson called for global stabilisation of global raw commodity prices and the IRA resumed its cease-fire.

Amid scenes of jubilant euphoria, Mrs. Thatcher won the Tory Party leadership with a runaway victory from a field of contenders which included Messrs. Heath, Whitelaw, Prior, Peyton and Sir Geoffrey Howe. Within 60 minutes, she launched a swift counter-attack on accusations that she had a right-wing image or that the party would move in that direction. She named Mr. Whitelaw deputy leader.

The Queen's Civil List allowance was raised from £980,000 a year to £1.4m., £150,000 of the increase coming from her own purse. Mr. Wilson signed a £1bn.

FEBRUARY

credit deal with the Kremlin and Sir Pelham (P. G.) Wodehouse died at 93.

FORD: A fifth of the company's 55,000 workers were put on short time and the U.K.'s unemployment total topped 8m. Lloyds Bank said £51.5m. had been set aside to cover losses on foreign exchange dealings in Lugano, had debts and contributions to the pension fund. The Government decided on a 45 per cent. rate for the proposed tax on off-shore oil production.

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MARCH

In the eight weeks to March 1, the FT 30-share index more than doubled to 301.8. London's worst tube disaster, at Moorgate station, left 41 dead and 90 injured. The crash was the first major Underground accident since 1963.

Royal Insurance declared a £40m. 1974 underwriting loss, the worst in its 130-year history, but ICI announced a £415m. capital spending plan. Concorde was given a tentative go-ahead to fly into New York and Washington. Mrs. Thatcher joined the previously all-male Carlton Club, and Iran threw another life-line to the ailing U.K. motor industry with a £15m. order for 10,000 Chrysler Avengers.

STAFFORDSHIRE: The search for kidnapped Lesley Whittle became a murder hunt when her body was found at the bottom of a shaft. General Spínola, ex-Portuguese Premier, fled to Spain, and National Girl moved into the loan business. Mr. Wilson became a grandfather. Greek shipping magnate Aristotele Onassis died in Paris.

With barely a blush, the Post Office brought in 7p and 5p letter rates, and Mr. Benn widened the basis for nationalisation in the aerospace industry

to include companies with a £7.5m. turnover. The Church of England issued a stern "No" to legalised euthanasia. THE CABINET voted 167 in favour of staying in Europe, but Mr. Wilson was accused by Mr. Ian Mikardo of leading a "motley, multi-coloured" array of pro-Marketters. The Campaign for Real Ale bought its first London pub. Mr. Healey appealed for wage restraint and domestic electricity prices were raised 28.5 per cent.

ASSASSINATION: King Feisal of Saudi Arabia was killed by a royal nephew, and succeeded as king by Prince Khalid bin Abdul-Aziz. The U.S. began an airlift of 400,000 refugees from Da Nang, and Mr. Edward du Cane resigned as chairman of merchant bankers Keyser Ullmann.

APRIL

Mr. Alexander Sheplein, the Soviet trade union chief, left London unexpectedly quickly after a stormy U.K. visit, and world chess champion Bobby Fischer lost his title to Russia's Anatoly Karpov by default. President Amin announced plans to swim across the Suez Canal. Chiang Kai-shek died at 87.

The Government won a 226-vote majority for its recommendation that Britain stay in Europe, and sacked Mr. Eric Heffer as a Department of Industry Minister for speaking against the government motion. For 500,000 civil servants there were average pay rises of 5 per cent.

THE BUDGET: Income-tax was raised per cent. to 35 per cent.; beer 2p a pint, whisky 64p a bottle and cigarettes by up to 10p a pack. The VAT on luxuries was raised to 25 per cent. Mr. Healey said a tax burden for financial '75-76 would be £1.25bn. and forecast big public ending cuts. The five-year war in Cambodia ended quietly with the collapse of Lon Penh and the Communists launched a big drive on Saigon. The annual Times Ltd. won its second year's Award to Industry, and a rail strike was narrowly averted.

British Leyland's shares were suspended on the Stock Exchange. The next day, the Government said it broadly accepted Sir Don Ryder's rescue plan for the company, involving £1.4bn. in outside capital over the next eight years. Lord Stokes's stormy seven-year reign as Leyland chairman and chief executive ended. Mr. Alex Park was named the new CE.

The remnants of the South Vietnamese Government surrendered to advancing Communist forces and the renaming of Saigon as Ho Chi Minh City marked the final failure of 30 years' U.S. policy in Indochina.

West Ham won the FA Cup, the Queen was welcomed in Tokyo by Emperor Hirohito and Mr. Heath launched the fourth Morning Cloud. Mr. Leslie Parson, inventor of an onion peeler was awarded £1m. plus in a breach of contract action.

THE POUND, under pressure all month, sank to a new (May 12) low of £2.2885, and the CBI said the recession would not bottom out until 1978. President Ford launched a full-scale military operation to rescue the merchant ship Mayaguez captured by Cambodian gunboats, and was credited with a major foreign policy triumph.

Official price statistics moved towards an annual rate of increase of 30-35 per cent. and Mr. Jack Jones produced plans for a revised form of wage restraint. Mr. Wilson warned strikers at Chrysler that they would not force the Government to take the company into State ownership. Britain announced £250m. worth of cheap

MAY

credit for Cuba, and plans for redesigning Piccadilly Circus were finally scrapped. Thirty-two people died in a coach crash in Yorkshire. In New York, Mayor Beame said he planned to cut 67,000 jobs to eliminate the city's crisis deficit.

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JUNE

The 30-share index reached an 18-month (June 2) peak of 358.1 and Grundy won the Derby.

After 25 years' doubt and 14 years' argument, the EEC referendum produced an unambiguous "Yes" for staying in Europe. Voting was 17.38m. to 8.41m., a little over 2:1. The biggest Yes vote was in North Yorkshire (76.3 per cent.). The only areas that voted No: Shetland and the Western Isles.

Peter Cook, a 47-year-old van driver, was charged as the Cambridge rapist and sentenced to life imprisonment. The Post Office said it was facing a £300m. deficit and the Commons started a three-month live radio experiment. Mr. Anthony Wedgwood Benn (Secretary for Industry) and Mr. Eric Varley (Secretary for Energy) switched jobs in a limited Cabinet reshuffle.

OIL: Britain's first offshore oil, from the first two production wells of Hamilton Brothers' Argyll Field, south-east of Aberdeen, began flowing; the Scottish National Party claimed it was the start of a "great drain race" to extract millions' worth of Scottish resources. INDIA'S Mrs. Indira Gandhi lost her

seat in the lower house of Parliament after being found guilty of corrupt election practices; she retained the premiership. Sir Don Ryder was given a life peerage. Mr. Takeo Miki, the Japanese Prime Minister, was given a punch (at a funeral) and the missing Lord Lucan was named as the murderer of his nanny by an inquest jury.

The June jobsless total, 889,822, was the worst June figure since the last world war, and the Labour Party said it was £264,000 in debt. Britain's James Hunt won the Dutch Grand Prix and Lou Graham the U.S. Open.

The U.S. Supreme Court struck ex-President Nixon from its list of attorneys and former Justice Warren, 39, ran up and down 72 lakeland mountains in 24 hours. The special advance mortgage ceiling was lifted to £20,000, and the Bowater Corporation launched a £22m. rights issue, taking the year's total for such issues to a record £702m.

The Tories won the Woolwich West by-election on a 7.6 per cent. swing from Labour, and Mrs. Gandhi jailed nearly 700 prominent Opposition leaders after saying there was a plot to oust her.

JULY

Sterling's continuing slide produced a 10 per cent. limit to the threat of statutory ceiling. In response, the 30-share index edged a record one-day points rise to 315.5 (July 1). Later, the TUC moved towards a voluntary policy for wage restraint and the Government and TUC agreed on a universal 56-week limit to an 88,500 cut-off as the first phase of inflation-denying strategy. The £6 cut came into force at midnight on July 31.

PRESIDENT AMIN reprieved British student Dennis Hills, and Mrs. Gandhi named 26 political organisations. Billie Jean King and Arthur Ashe won the Wimbledon singles. The Giro made its first profit in six years. President Ford declared a 10 per cent. pay rise for the Post Office and 6p letter rates, and fighting spread in Angola.

FROM WATSON won the British Open Championship. British Leyland shareholders voted 4-1 to accept Government plans for restructuring, and John Stone, the runaway MP, returned to London to face fraud charges. U.S. and Viet astronauts linked up in space and

Russia bought 2m. tons of American grain.

In Lisbon, the fourth coalition Government collapsed. In Armagh, four soldiers died in a Provo bomb explosion. Emerson Fittipaldi won the British Grand Prix. Lloyd's List produced its 50,000th edition and coffee surged to £855 a tonne.

Mr. Healey said he was aiming for £3bn. worth of spending cuts by 1978-79 and BSC said it was losing £5m. a week. Cristina Onassis married Alexander Andreadis, British men were dubbed the "payers' Union" launched a recruitment drive.

NEWHAM NORTH EAST: The local Labour Party voted to drop Mr. Reg. Prentice, MP, at the next election and London taxi fares were raised 25 per cent. Holidaymakers in Spain endured overbooking and General Gowon was deposed as Nigerian Head of State. Lord Kearton was named as British National Oil Corporation chairman and the Electricity Council lost £258m. Wealth in the U.K.: said a report, was still highly concentrated.

In London, the £ touched a new (August 4) low of £2.1355; the temperature touched 90 degrees. July's car sales were reported at a 18-year low and Leyland's shop stewards accepted a worker-director plan. The Government said it would take stronger action against the health risks of smoking, and set itself a target of reaching 100 planning agreements with key-sector companies over the next five years.

SHOSTAKOVICH died in Moscow at 68 and a Federal grand jury investigation was ordered into the disappearance (and assumed death) of former U.S. Teamsters' president James Hoffa.

Home loans were running at a record level and Lord Iremonger, chairman of Arthur Guinness, said he was going into tax exile. Six Irishmen were jailed for life at the end of the Birmingham pub bombs trial.

HEADLINE: Supporters of the George Davis protest campaign dug up the Test wicket. Australia retained the Ashes. Four months later Davis was refused leave to appeal against a 20-year sentence for armed robbery.

AUGUST

Figures for July showed the unemployment total at a post-war record of 1.25m., and Mr. Healey told the IMF there were no plans to reflate the U.K. economy before the April Budget and the U.S. outlined plans to stimulate Third World growth. The London Eating Houses chain collapsed and British Rail banned soccer specials.

The Sandilands Committee urged basic changes in company accounting and President Giscard d'Estaing announced a £3bn. package for France's stagnating economy. An earthquake in Eastern Turkey killed nearly 2,000.

The Conservatives, said Mrs. Thatcher, would de-nationalise North Sea oil if overall income and taxes, the shark film streaked to a record £123m. in U.S. box office takings. Sir Denis Lawson died at 69. In the Irish Sea, 300-foot water sports puzzled the experts and in the Rijksmuseum, Rembrandt's "Nightwatch" was slashed with a knife.

The European Commission told France her border tax on Italian wine imports was illegal and Jensen Motors called in a receiver. Leicestershire won the

SEPTEMBER

In Blackpool, the TUC approved the 56 pay policy and general fears of unemployment led Mr. Healey to tell the IMF there were no plans to reflate the U.K. economy before the April Budget and the U.S. outlined plans to stimulate Third World growth. The London Eating Houses chain collapsed and British Rail banned soccer specials.

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county cricket championship for the first time.

RANK: Stormy scenes at an emergency board meeting of the Rank Organisation: Mr. Graham Dowson resigned as chief executive (with a £150,000 payment) and Sir John Davis, the chairman, hinted at a major company reorganisation.

Fugitive newspaper heiress Patricia Hearst was caught by the FBI and 60 London art dealers called for a boycott of Sotheby's and Christie's new auction sales. The falling gold price forced South Africa into a 17.5 devaluation and Britain against lost the Ryder Cup. The Provisional IRA said its cease-fire no longer extended to the RUC. President Ford survived a second assassination attempt in six weeks.

The Government said its £205m. scheme to create 100,000 jobs was not a reflation package: calls for import controls began to grow. Britons Douglas Haston and Doug Scott became the first men to climb Everest's south-west face and after 50 minutes' talk a £5 deal for council workers put £205m. on the rates.

OCTOBER

n Northern Ireland, Harland and Wolff given a Christmas deadline to achieve big productivity improvement or face sure, and Dutch industrialist Dr. Tiede rrena, head of Limerick's Farenska, was abducted by an IRA splinter group. Dr. Herrera was held captive for days. In London, the Spaghetti House 30 ended calmly.

Mr. Ronald Edwards was named new chairman at British Leyland. British clear Fuels spoke of a £400m. investment over the next ten years and President Ford offered tax cuts if U.S. spending was curbed. House prices in Britain, 1 Nationwide, had risen 9 per cent. in 6 months.

ASH CRISIS: Lord Thorneycroft said Tory Party faced a worse cash crisis than Labour and Prince Charles was given command of his own ship. Militancy ended in the Health Service and the U.K. end-quarter standard of living was to have dropped a record 3 per cent. Publication of Part I of the Cross-Channel diaries was authorised. Three identical sisters, married three years and in the FT Clipper race, Krier hit a whale.

SOTHEBY'S: A silver bowl bought for £80p in a jumble sale fetched £9,000. Concorde ran into noise trouble and most of Norton Villiers Triumphant's manufacturing activities were put in the hands of a receiver. Mr. Stonehouse, explaining his "bizarre conduct" to the Commons, said he was neither a Czech nor a CIA agent.

MR. JIM SLATER, once the brightest star in the financial firmament, resigned as chairman of Slater Walker Securities, at one time worth over £200m., and was replaced by Mr. Jimmy Goldsmith, chairman of Cavenham. In his resignation statement Mr. Slater spoke of adverse publicity over inquiries into Haw Par Brothers International. Mr. Goldsmith said he planned a three-to-four month scrutiny of Slater Walker.

Princess Anne fell off her horse and Mr. Donald Treford was appointed editor of The Observer in succession to Mr. David Astor.

Mr. Wynne Godley, a former leading Treasury forecaster, said U.K. public spending was out of control and called for cash limits. The Government promised a major shift of economic policies away from public spending towards the nation's industrial structure. Britain said it would seek a £20m. IMF loan.

The British Army entry in the FT Clipper race, Great Britain II, reached Sydney in a record-breaking 67 days, seven hours, 18 minutes, to win the first leg. In London a CBI survey suggested that the recession had bottomed out. Mrs. Gandhi won her election case appeal in New Delhi. Cardinal Hozman died at 70, and Angola received her independence from Portugal.

SYDNEY: The Governor-General dismissed Gough Whitlam's Labor Party Government. Ulster claimed its 1,000th civilian victim, and Western political leaders held a summit at Rambouillet.

A new cod war flared when an Icelandic gunboat cut the trawl wires of the Hull boat St. Giles. The AUW, Britain's second biggest union, swung to the Right in leadership elections. Statistics showed a definite deceleration in the pace of

NOVEMBER

wage inflation but a Treasury Minister said Part II of the pay policy would have to be tough.

GENERAL FRANCO, for 36 years Spain's military dictator, died after a month's illness. He was 82. Prince Juan Carlos was sworn in as King and new Head of State.

LOCH NESS: The monster appeared briefly in new colour photographs but sank again under official scepticism.

In Lisbon, a Portuguese Left-wing military uprising crumbled. In London, plans for directly-elected assemblies in Scotland and Wales were proposed. Mr. Ross McWhirter was killed, allegedly by Irish terrorists. Former racing driver Graham Hill died in an air crash.

Heating oil prices were raised 28 per cent. and at Christie's a Picasso self-portrait fetched £283,500. In a new support move for Burmah, the Government offered to buy the bulk of its North Sea oil assets and extended for nine months guarantees for 865,000 in borrowings. Mr. Rees ended detention in Ulster and the Commons rejected the death penalty for terrorists. A six-day siege in Balcombe Street ended bloodlessly.

CHINA signed an £80m. engine deal with Rolls-Royce and the death of Mr. Maurice Edelman, at 64, ended Labour's overall Commons majority of one. Mr. Malcolm Fraser's Liberal Party scored a landslide victory in the Australian general election.

CHRYSLER U.K.: The Government decided to cut 25,000 jobs was not a reflation package: calls for import controls began to grow. Britons Douglas Haston and Doug Scott became the first men to climb Everest's south-west face and after 50 minutes' talk a £5 deal for council workers put £205m. on the rates.

Rolls-Royce said it would have to ask the State for £100m. next year and the

DECEMBER

Chancellor eased HP controls and introduced temporary textile import restrictions.

WEALTH TAX: In the current session of Parliament was ruled out after a Select Committee had failed to produce a majority report, and the BMA called for a pay-bid ballot of hospital consultants. Emergency-only action by consultants and junior doctors evaporated.

Carlos Martinez, alias the Jackal, was identified as the leader of a terrorist group that captured leading Middle Eastern oil ministers from the OPEC offices in Vienna, including Saudi Arabia's Sheikh Yamani.

At year's end, the Cod War was becoming more bitter: the BBC faced a news blackout; the Van Dorp quads, born on Christmas Day, were thriving; the Sex Discrimination Act ushered in an era of chairpersons and au pair-people and the lawless passing of dolly-birds and pogo girls. There were said Mr. Harold Wilson, some "bleak months ahead."

This service is available in every County down the South. Stock Exchange throughout the United Kingdom.

Closed shop brings 200,000 Co-op workers into line

New York during the International Jewellery Trade Fair in February and a mission of the Society of Motor Manufacturers and traders will coincide with the Society of Automotive Engineers Exposition and Conference in Detroit. In total 13 trade missions sponsored by the Board will go to North America during January-April 1976.

metric recorders available from the Industrial Instrument Division of Smith Instruments, London NW2 6JN (01-452 3333). Basic instrument 602.20 has a response time of about 0.1 sec, recording width and is intended for linear recording of de-

Sensitivity can be increased up to 2.5 times the selected input range and zero position can be manually shifted over the entire recording range. Chart speed and wind-up mechanism are driven by a synchronous motor which is switched to operate at six speeds between 30 mm/hr, and

displayed at the New Orleans Gas Turbine Conference and Products Show in March and at the Chicago Materials Handling Exposition in April.

Consumer goods including cycles, fashion, toys, gifts and electrical machinery from the products will be exhibited. Some of the best of Britain's china and

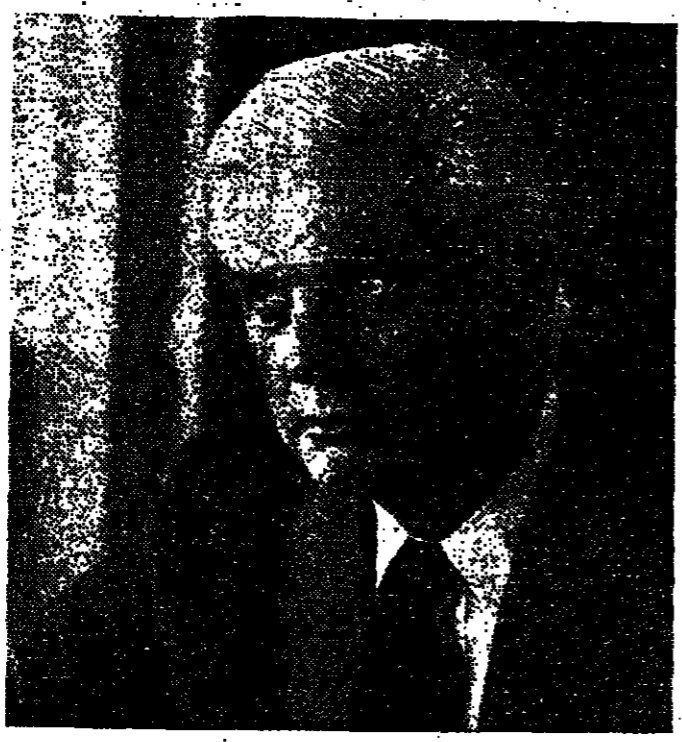
The Executive's World

Art Garcia reports on the recovery of a Hawaiian conglomerate Growth in the Pacific Basin

"I FEEL there probably are a dozen ways to run a company, and probably they're all equally good. Who's to say what's the right way? Management is style," says Mr. Herbert Cornuelle, president of Hawaii's Dillingham Corporation and developer of a management team whose style stresses higher returns on assets employed in each of the sprawling company's four main operating areas.

Caught up in the "bigger is better" unchecked growth syndrome of the past decade, Dillingham completed 30 acquisitions between 1965-70. Since bringing in Mr. Cornuelle as executive vice-president and a member of the executive management committee in 1969 (elevating him to president in 1971), Dillingham has divested itself of a number of those businesses that either didn't fit lines of activity objectives or profit goals. Assets have been shifted from low growth areas to those with higher growth potential.

The results are shown in Dillingham's operations over the past five years. Revenues have grown from 1970's \$552.5m. to last year's \$770.5m. and the net loss five years ago of \$5.6m. equal to 55 cents a share, has been changed to operating profits of \$15.4m, or \$1.07 per share, in 1974. Under Mr. Cornuelle's leadership, Dillingham has sought to put together businesses with what's termed a "sensible degree of interrelationship" in maritime, resource, construction and property in a way that maximises its strong position in the Pacific Basin.



Mr. Herbert Cornuelle

There are no formal five-year growth plans as such at Dillingham. Growth and improved performance "are a product of our plans, a result rather than a goal. We know what our revenue goal is for next year and we're closing in on it now, but that's a result of our plans, rather than a goal in itself," he said during an interview at the company's mainland U.S. headquarters in San Francisco. The Honolulu-based Dillingham was formed in 1961 through the merger of two family-owned Hawaii companies whose histories go back to 1889. Revenues in 1981 were about \$60m. and the new company was doing most of its business in Hawaii. Following its ambitious acquisitions binge—nearly all of them outside Hawaii—Dillingham's revenues in 1981 had ballooned to \$515m. The Earnings had grown substantially too, but by then the company was beginning to suffer the indigestion of rapid growth. There were particular difficulties in communication and control, problems not unfamiliar to many of the new conglomerates at the end of the period, and the end result was a heavy loss in 1970. "Fundamental changes in

made responsible for interpretation and implementation of corporate policy at the operating level, decision-making was pushed down to the lowest level at which necessary facts were available and sophisticated risk management programmes were launched.

"Today we have a relatively simple company managed by people of long experience in the markets we serve," assesses Mr. Cornuelle. The company identifies four primary markets—maritime, resource, construction and property—and more than half of its revenues now come from mainland U.S. operations. Soon after the loss year of 1970, Dillingham established basic guidelines, the first being to create a positive cash flow to reduce debt and fund new investment. That was followed by the objective of higher-paced earnings growth and, thirdly, an improved balance sheet. Mr. Cornuelle is ready with a quick response when asked how the company has performed over the past five years in meeting those goals.

emphasise predictability," stresses Mr. Cornuelle, "and a company under control, yet maintain the flexibility that a portfolio approach to our business provides. We are committed to change and are organised for it within markets that we know and understand—predictable but flexible."

One Wall Street analyst five years ago described Dillingham as a "company in transition," a tag Mr. Cornuelle thinks should stick to-day. "In the terms I see it, the company will always be in transition because I believe uncertainty and change are the name of the game, more now than ever before," he says. "This is what we talk about internally more than anything else—recognising change, anticipating and being flexible—so I guess we're always going to be on this road, looking at the marginal investment and being willing to divest ourselves of it."

"We say to ourselves that's a way of life for us," he continues, "so I guess we'll always be a company in transition. But the basics, the businesses we're in, are there, the geographic commitment is there and the commitment to earnings and growth, rather than up and down growth, is there. We'd rather be predictable and steady, if we can, than have a more erratic kind of record."

Investment

"We had positive cash flow in 1972 and 1973. We would also have had positive cash in 1974 but we chose to make a major investment in Pacific Norse Shipping Ltd., a joint venture with a Norwegian company in a bulk shipping business, he says. Operating earnings have shifted from a \$5.6m. loss in 1970 to last year's positive \$15.4m. while net earnings have progressed from a negative \$5.6m. in 1970 to the positive \$15.4m. of 1974. Return on equity, based on operating earnings, went from minus 0.2 per cent to 8.5 per cent, while the return based on net earnings increased from minus 3.9 per cent to plus 11.3 per cent. "During this period, stockholders' equity rose from \$163m. to \$189m. and the debt/equity ratio went from 1.30 to 1.21," he beams, noting that if real estate were separated from the rest of the company's activities, the ratio would be .67. Dillingham's 1976-80 plans emphasise market orientation while anticipating change and the direction of change. The company also will concentrate on management and organisational development to provide the people to manage the change ahead. "We must continue to

Advantages

Mr. Cornuelle calls Dillingham a "diverse company" but insists he doesn't shun the multinational or conglomerate labels. "Certainly we are not a conglomerate in the more orthodox sense of the word, but I don't mind he word," he says. "I think the advantages of being diverse are great, but so are the problems of getting it all managed. We have to be careful about that, so what we say to ourselves is, can we manage it? That's the key question and about the first one we ask. That worries me more than anything else. If you don't know the right questions or have an unfamiliarity with the blank sheet of paper kind of problems," he goes on, "then you ought to stay out of it. That's very basic to the way Dillingham now looks at things."

Risks

Over the past five years, the company also has worked to control the level of risks it accepted in its four business areas and to stress development of its faster growing maritime and resource groups. The latter is dependability in the growth of earnings, and so far all the policies appear to be working, with some financial analysts forecasting record profits for the company this year. But, Mr. Cornuelle is quick to point out, "size is not a goal for us. We want no revenue goals. We just want to be a more predictable company."

Competing

"Asset redeployment became a way of life at Dillingham, with each operating division competing for the corporation's resources," Mr. Cornuelle explains. A centralised cash management system was devised for all domestic division and subsidiaries. "We know where we stood on any previous day by 2 p.m. of the next," he says. Group vice-presidents were

PENSIONS

The pattern for the future

BY ERIC SHORT

THE average employee is asked about his company's pension scheme and his rights under it, the probable answer is one of relative ignorance. His state of affairs is heavily obscured by the fact that he has grown much enthusiasm on the subject of pensions and partly because employers have not tied very hard to even communicate with employees over company pension schemes. Too often, the approach by employers has been one of fatalism.

This general attitude is likely to undergo a radical change over the next two years. A few weeks ago, the first of the regulations under the Social Security Pensions Act 1975 was laid before Parliament. This imposes a legal obligation on employers to effectively talk over with employees and their independent trade union representatives their intentions regarding staff pension arrangements.

The proposed scheme provides for a two-tiered pension structure—an earnings-related part added to the present flat rate pension. Employers have to decide whether or not to contract their employees out of this earnings-related tier and provide this part of the pension means of an occupational scheme which fulfils certain minimum conditions as laid down by the Act and subsequent regulations.

After that it is up to the union negotiators to make the best use of the meetings to state their case, bargain for their members and influence the employers as best they can on the whole pensions question. The interpretation of these regulations could lead to considerable confusion for both employers and union officials. The employer could simply regard it as a legal requirement to communicate his decision to the employees and the wording of the regulations implies that he has already reached his decision and is simply telling them what he intends to do.

The unions on the other hand could well regard these regulations as bringing the employer to the negotiating table and discuss the whole pensions strategy and the level of benefits to be provided, in fact that the whole pensions package is up for bargaining. The remarks made by Mrs. Barbara Castle, Secretary of State for Social Services would imply the latter interpretation, since she said that the Government's decision underlines the importance that it attached to putting pensions alongside pay

on the negotiating table. These problems of interpretation are likely to be compounded, since the regulations state that the Occupational Pension Board has to be satisfied that the procedures laid down have been followed before it can issue a contracting out certificate.

The Department of Health and Social Security has emphasised that the OPB will only be concerned that consultations have taken place. It will not act as a Solomon in the event of the unions disagreeing with the employer's proposed decision. Unions will have no legal recourse, although industrial action will always be a weapon.

The DHSS is in the process of issuing guidelines for employers regarding these regulations, while the OPB proposes to issue a memorandum on the whole contracting-out procedure including the consultation process. Employers and unions should await this issue of these documents before doing anything meaningful. Not that many employers are in a position to make any firm decisions on contracting-out yet unless they intend to decide irrespec-

tive of financial and other implications.

No pension consultant will be able to make any meaningful financial calculations until the other regulations have been published especially those relating to the premium tables for buying back into the state scheme. This gives Mrs. Castle's continual exhortations for employers and unions to start consultations immediately a slightly hollow ring. All they can really talk about at this stage is the layout of the explanatory booklet.

Finally the regulations, like many legal proposals, leaves a large gap in the negotiation procedures. Employers with no present occupational scheme who intend to put their employees into the state scheme have no legal obligation to consult employees or unions at all. The regulations have been aimed at employers with schemes already in operation or where a pension scheme is proposed. Employers who are in this position should take steps to consult with their employees even if it is only to put them in the picture. For consultation on pension matters is going to be the pattern in future.

Management and the public

THE INCREASING stress now being applied on establishing better communication and dialogue between management and workers and a company and the public is in turn creating pressure on managements to improve their public relations capability.

In a move to assist management with its responsibility to state its case the British Institute of Management and the Institute of Public Relations have organised a one-day conference to be held on January 22 next at the London Hilton Park Lane. The theme of the conference is "The Responsible Company—Business and Public Opinion" and it is aimed at chairmen and directors and others concerned with promoting better understanding and co-operation between a company and all who come into contact with it.

The chairman for the day will

be Mr. Nigel Foulkes, chairman of the British Airports Authority and a director of the Charterhouse Group and of May 5 and 9 and, in addition Stone-Platt Industries and the Bekaert Group. Speakers will include Mr. George Goydor, author of "The Responsible Worker" and a former chairman of British International Paper; Mr. B. J. A. Hargreaves, director, public affairs, IBM (United Kingdom); Mr. Alex Page, chairman and managing director, Metal Box; Mr. Harry Shepherd, controller of public relations, Marks and Spencer; and Mr. Alan Eden-Green, chief adviser, public affairs and communications, BOC International.

Discussion

Elsewhere in the BIM's conference programme, Management Research Groups (part of the BIM) is holding in May a

conference with a "Management to-morrow" theme. This will take place in Jersey between May 5 and 9 and, in addition to speakers, there will be opportunities for discussion with senior people in industry and commerce, together with their guests.

Among the speakers will be Sir Anthony Puri, Secretary, Department of Industry, whose theme will be Management and Legislation; Mr. David Barnett, general secretary, General Municipal Workers Union; on Industrial Relations—the Way Ahead; Andrew Grenfell, managing director, Elizabeth Arden; on Women in Management; and Mr. R. R. Paterson, vice-president, Ideal Standard (Europe), on Management in Europe.

The conference will be open to non-MRG members and will be held at the Mermaid Hotel, Jersey, with reservations with the MRG being required prior to January 26.

Underselling the U.K.

BY BOB CREW

IT IS said that, for too long, Britain has put itself down, underrated the role of salesmanship, undervalued its salesmen and rendered "selling" a dirty word, writing it off as a vulgar or distasteful business best left to those brash Americans, disciplined Germans and ubiquitous Japanese. The British, supposedly, have been traditionally above selling.

In America a high percentage of company presidents and vice-presidents are ex-salesmen but in Britain, the majority who reach the boardroom are ex-accountants, lawyers, economists, production engineers and financiers. Similarly, while in other countries university and college graduates are attracted to a sales career, very few British graduates enter the sales field, and many of those who do are there by force of circumstance rather than choice.

Commenting on the failure of many British companies to orientate their salesmen to customer needs, Dr. Mark Fussell, who runs his own sales training organisation, says: "Most salesmen are not selling expenses whatsoever, while the salesmen surveyed received no training and were therefore left standing by inflation. But a company car—for the purpose of company travel by which much unpaid overtime is incurred—is first and foremost a tool without which the job cannot be done. The extent to which it really is a perk, in one's limited spare time, is entirely debatable. But, since one's competitors are unlikely to be beaten in the race for new markets by bicycle, corporation bus or even train, it is indisputably a necessity. Similarly, since expenses are confined, for the most part, to business, it is arguable that they are not strictly speaking, a perk."

Can it be true that the British have such attitudes to selling and salesmen? Well, a recent report by the TACK Organisation—entitled "Salesmen's Pay and Expenses"—certainly confirms that British companies do not value their salesmen very highly; in many cases no higher than shorthand typists!

Six hundred and seventy-seven companies employing 33,000 salesmen were surveyed, of whom only 44 paid their salesmen more than £8,000 per annum. On average, non-commissioned salesmen were found to be earning approximately £2,000 per annum—only slightly more, or in many cases the same as, a senior secretary. Salesmen who were not paid by salary only—whose incomes were made up of salary plus commission, bonuses, etc.—were, on average, not much better off, earning approximately £4,000 per annum at the top end of the scale and as little as £1,500 per annum at the bottom end, which was rather less than a junior shorthand typist or typist.

Few salesmen were enjoying a five-figure income and the top earner—an industrial salesman—was found to be on an income of £13,400 per annum. Knowing, as we do, the kind of aggravation, effort and sacrifice required of top salesmen in demanding and tough markets, we might very well be forgiven for thinking that such a wage slave is underpaid and could find easier ways of earning a living. Also, we might better understand why the British, and their university graduates, are not much attracted to a sales career.

Of course, in addition to salaries, there were the perks, which included company cars and expense accounts. But even the expense accounts were found to be modest. One-quarter of the salesmen surveyed received no expenses whatsoever, while the quarters had increased hardly at all since 1973 and were therefore left standing by inflation. But a company car—for the purpose of company travel by which much unpaid overtime is incurred—is first and foremost a tool without which the job cannot be done. The extent to which it really is a perk, in one's limited spare time, is entirely debatable. But, since one's competitors are unlikely to be beaten in the race for new markets by bicycle, corporation bus or even train, it is indisputably a necessity. Similarly, since expenses are confined, for the most part, to business, it is arguable that they are not strictly speaking, a perk.

Salesmen surveyed were in capital equipment, consumer durables and goods, repeat industrial business, banking, insurance and printing services. The worst off were those in repeat-consumer goods. Most salesmen's cars were Fords—six out of ten companies were using them—and foreign company cars in use were less than 2 per cent. With only the few earning average earnings for salesmen so low, it would be surprising indeed to find Britain's top personnel or most able, going into

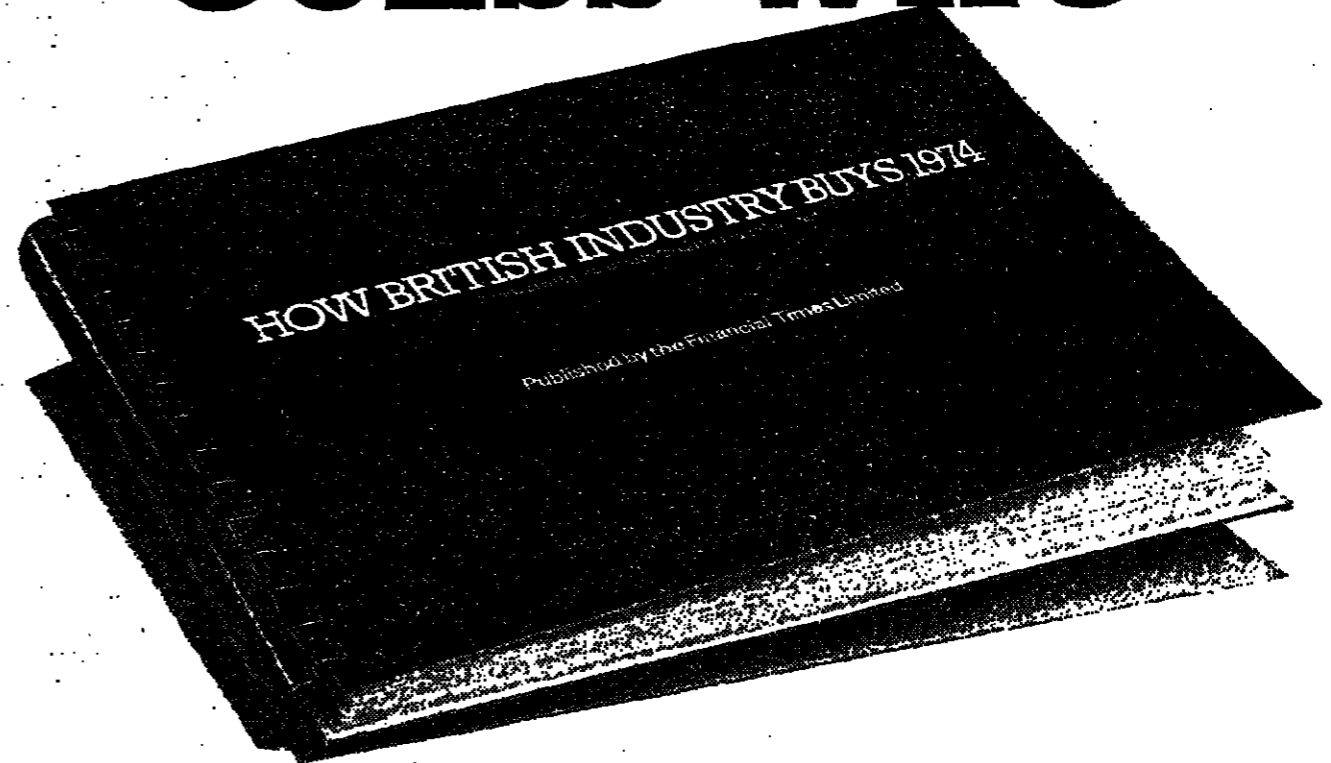
sales. On the contrary it is perfectly arguable that only the mediocre or desperate could be induced to work so hard for so little, to be conned by the unrealistic expectation—the dream—of a five-figure income which, clearly, very few are ever going to see. In fact, with so few exceeding £8,000 p.a., one wonders what, other than the dream, sustains most salesmen in their 9-5-times thankless, not to say soul-destroying, jobs.

According to Mr. Alfred Tack, Managing Director of the TACK Organisation which did the survey, "Salesmen do not look upon their work as soul-destroying. They really love their work. In the same way that actors can never really leave the theatre, even if they are weeks on National Assistance, so salesmen can never visualise doing any other kind of work than selling. The majority are very dedicated men and would not change their jobs even if they could earn more money. They like the daily challenge, they enjoy meeting their clients or customers and they enjoy a certain amount of freedom in planning their daily work."

It is clear from the Tack survey that Britain's salesmen are getting precious little carrot (though, doubtless, plenty of stick). How, then, with a sales force so poorly rewarded and therefore motivated—before and after tax—and, in the view of Dr. Fussell, so unprofessional, is Britain going to sell itself out of its present troubles and compete in to-morrow's world, to avoid becoming an economic backwater? With a society traditionally disinclined to sell and its salesmen so undervalued, how are we going to prevent Britain selling itself and its salesmen down the drain? Dr. Fussell thinks that Britain needs more professionalism, while

Alfred Tack says that what is wanted is "marketing drive from the top, because marketing means providing the goods people need—not the goods that manufacturers happen to be able to manufacture without a great deal of trouble." However, what is urgently needed now is better salaries before the few decent salesmen that we do have dwindle away with their dwindling incomes and expense accounts, leaving the cupboard bare either for more professionalism or new marketing drives in to-morrow's world!

KNOW WHO GUESS WHO



The Financial Times has been investigating the buying procedures of British Industry. Studying the composition of decision-making units in industrial purchasing situations. And assessing the roles and influence of various individuals and groups at different stages in the buying process. Now we have made the data available in the 195-page "How British Industry Buys, 1974". Presented in tabular form, with interpretive

analysis of broad conclusions, this study makes it possible for sales and marketing men to pin-point key people who really influence buying. The people who decide whether you or your competitor, gets the order. Know, in detail, "How British Industry Buys". Obtain your copy by clipping and posting the coupon today. The guess-who days can't be over too soon.

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Early warning

Fortunately there is a more cheerful side to the picture. The Greeks have indicated their readiness to leave intact Nato early warning installations on their soil; the Turks, provided Washington meets their admittedly stiff financial and other terms, are ready to conclude a new defence treaty with the U.S.

But it does look a bit as though the West German Chancellor, Herr Helmut Schmidt, ventured on to dangerous ground when he offered his good offices to help Athens and Ankara find a solution. West German wealth and influence in the EEC will ensure that Herr Schmidt is listened to in both capitals. He is in any case unlikely to proceed unless encouraged by both Greeks and Turks. But he alone cannot mend the hole in Nato's flank unless the U.S. arrives at a consistent policy towards the area and one that is acceptable in Greece and Turkey, both of which are in the grip of considerable nationalist dissatisfaction with Washington.

Observer

Society To-day: With the Sex Discrimination Act now in force, Joe Rogaly looks ahead to the next anti-discrimination legislation

Back to the bottom of the class

IT IS WITH the deepest feelings of regret that I have to report that the Class Discrimination Act has been postponed for yet another year. Those who respond that this is the first they have ever heard of such an Act have not been thinking this Christmas. It stands to reason that a law against classism is in the advanced stage of preparation. The necessary documents can be found in a safe in the Home Office, in Bill form, ready to be offered to Parliament when the Government can think of no other way of keeping it distracted. When it does come—and that will certainly be on January 1, 1977—the announcement will read as follows:

"From midnight to-night it will be illegal to discriminate against any person on the basis of social class alone. In a hospital, for example, porters will be bound by law to treat e-paying patients as if they were people. Scowling at them and pulling their blankets off while screaming 'queue up!' or 'proceed!' their areas will not be permitted. In a school, classless behaviour is putting them in a cold waiting-room for three hours and coming in every 30 minutes to announce that 'doctor shan't be moment, luv' will remain within both the letter and the spirit of the law."

Chimney-sweep

The new Act is based on the precedents of the Race Relations Act and the Sex Discrimination Act. It puts the average Pakistani chimney-sweep on an equal footing with Mrs. Margaret Thatcher, and vice-versa. Enforcement will be

strict. There will be a Class and Sex Simplification Authority, entitled CRASS for short. The first decree of the new authority is expected to be the removal from the dictionary of the ugly word "class". It will be replaced by the more progressive formulation, crass. It is important that the vowel should never be pronounced, such a way as to remind persons of the old upper-class pre-judices; the rhyme will be with the working-class Lancashire loss and not the upper-or-middle-class ones. Once this is established, every crass of person in this country can be regarded as equal to every other crass of person.

This decree out of the way, the new authority will go on to direct the work of three special commissions, each with a modern "logo" in the style of the "Jobcentres" that have already replaced employment exchanges. The first will be named "Crass-room," to emphasise the new freedom introduced by the Act. The others will be called "Race-ahead" and "Sex-less." Each will have its own supervisory Board in London and a chain of offices throughout the country. A £2bn. capital expenditure programme has been drawn up, so that by the end of the decade every person will be able to find "Crass-room," "Race-ahead" and "Sex-less" shopfronts in adjacent positions in every High Street.

Some 12,000 sign-painters are even now being trained to produce the new-style logos. The total extra manpower needed for the three branches of CRASS will be not more than 57,000, while headquarters staff may well be kept down to a lower figure than that, at least in

the early years. The cost is within the Government's estimate of public expenditure for whenever it may be incurred, since it is only a matter of a billion or so, it is hardly likely to be noticed.

The third stage of the authority's 2,388-point programme will run concurrently with the second. It will hire consultants at enormous cost so that they may set in train a detailed programme of long-term multi-disciplinary research into the behaviour patterns of the newspapers, radio and television. Before that even begins, certain decisive steps will be taken.

Andy Capp will be abolished. He is both crass-ist and sex-ist, and he may very well be secretly racist, like Alf Garnett, who will go to the flames with him. Members of the former

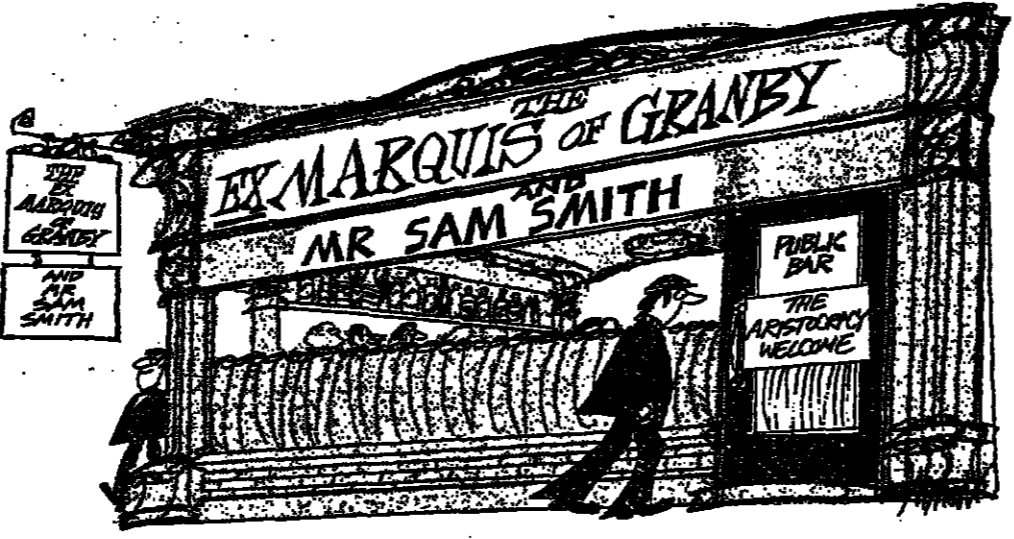
upper-class must, however, work regulations which the authority like everyone else. For this will then proclaim with the provided with official cars, and ambassadors abroad will be expected to live in locally subsidised public accommodation, by the Act. Market Research taking their guests to the national equivalent of a work-persons' staff.

All titles will be consigned to history. The only exceptions will be titles that denote equality. "Comrade" is permitted. "Lord" is not. "Sir" is acceptable. "Sir" is out. The Secretary of State for Health and Social Security, assuming it is still she on January 1, 1976, and her husband will be "Ms. Barbara Castle and Mate Ted" or, on State occasions, "Comrade Barbara Castle and Mate." The Queen will retain the title already in customary use among the working-class: "ER" which can be read one way by "and another by TM." The Prime Minister, it hardly needs saying, becomes the Chair-person.

Penalties

The most severe penalties, some of them too horrible to mention, are to be reserved for the crime that in future will be called "crass hypocrisy." This will catch all those who proclaim their faith in absolute equality while availing themselves of advantages formerly flaunted by the upper-class (TU excepted). Thus, ministers—departmental chairpersons—who talk about a crassless health service and sneak off to Malta for private treatment will be punished under these clauses. Education officials who pretend to enjoy the abolition of private schools while sending their own children to Eton-on-the-Liffey will likewise suffer the penalties for Crass Hypocrisy, as will lounge Socialists with houses on the Riviera, and London council persons who proclaim their passion for buses and maintain private parking spaces outside GLC headquarters.

This brief description of the fundamental points of the Act should suffice to show that it is not intended to create a Crassless society—but rather to intensify Crass consciousness. For this reason alone, the Government's preliminary secret opinion polls suggest, the new Act will meet with universal rejoicing when it comes. You have not long to wait.



Public bar

It would be a serious error to assume that the changes brought about by the Act will be mere matters of nomenclature. The remaining saloon bars, for example, will become illegal; every bar will be a public bar. The Price Commission will ensure that there is no levelling of beer prices to compensate for the absence of the saloons. Every hotel will be obliged to offer chips at all hours, and the absence of HP sauce from a table could cost the new eatences (there will be no place for "restaurants") their licences. French menus will be outlawed: "Sole Bonne

employment; a consignment of

Letters to the Editor

School-leavers' abilities

om The Managing Director, ready and forthright.

Sir,—As managing director of a engineering company wishing to take on apprentices, I feel I must point out the experience of y personnel manager where hee-leavers are concerned. Since the summer he has failed mpletely among many inter- to find a single youngster th educational standards igh might be considered ible for the training avail- le. The local training group s assisted in this task with ilar results.

Unfortunately, it seems there still not enough encourage- nt given during their days at a state's secondary schools, to ing people considering a eer in engineering. We would, course, be pleased to accept idates with appropriate essional standards and in- sd need them.

To give some indication of y we turned down those who alied, name was able to uer the following—

—Express 1 as a decimal.

—How do you multiply by 10 using decimals?

—Having been shown how to answer question 2—how do you divide by 10, using decimals?

Is recognised there may be ter ways of presenting the sions.)

he Government measures red- ed by Mr. John Cassels, cing of the Manpower Ser- Commission, are certainly ded. The problems, how- r, of suitability of many of school leavers for future ovement seem to start well ere they reach 16.

I, E. Lewis, s Mill, Stonehouse, Weststershire.

Control of olossi

Mr. D. Bluet.

Most people would agree he conclusion of your nd leader of December 22— e case against centralisa- that "the Government dy has too many hand- aged colossal on its hands" use it is so self-evident, c conclusion, however, really tions the justification for the malisation of an industry falls to make a case for an e structure and organiza-

re organisation of large com- al undertakings has been loped to enable the corpora- to produce the goods that consumer requires. Finance continued existence and to an adequate return on the l employed. While in al countries this is made difficult by Government vention yet this does not l the political interference I has taken place in this nised industries in this e since their establis- Consequently, this poli- control partly explains their re. The inability to pro- economically the goods and ces required is also due to ethos. This is partly th about by their mono- le position; partly by the of financial discipline en- ed by the taxpayer being rted to finance all deficits; partly by the bureaucratic de adopted by the admini- e employees.

ing in your observations e electricity supply industry, to be emphasised that the n structure does not en- ge competition. Each Area has a monopoly position area. The activities of the

Central Electricity Generating Board are purely functional and monopolistic. Whatever the Plowden Committee has recommended surely will permit a rationalisation and streamlining of the present clumsy bureau- which has proved so expensive to the electricity consumer and the taxpayer. This is evident not only in the high cost of generating electricity but in the expensive mistakes which have been made at the poor forecasting of de- and in the selection of equipment. In addition, the multiplicity of designs used in plant and equipment, and the excessively high standards de- compared with overseas utilities has proved costly to the industry and to its suppliers.

Surely what you should be advocating on behalf of British industry and the private consumer is for a top-level manage- ment consultant firm to investi- gate the present colossal and make recommendations which will enable electricity to be produced much more cheaply. I am sure that Plowden has not been able to delve as deeply as this. Failing this, should you not be advocating an organisation with a structure akin to profitable and progressive commercial corpora- tions with a single product supplied essentially to a domestic market? The need for finan- cial discipline will be paramount and particularly the control of research and development ex- penditure.

D. G. Bluet, 66, Manor Way, Beckenham, Kent.

Third-class flying

From The Chairman, Cor and Kings.

Sir,—The secretary of the Advance Booking Charter Operators' Council argues im- pressively against British Air- ways proposed "third class" rates (December 29) and "falls to see that the introduction of a new, lower tariff level can be economically justified in the current environment of loss- making by airlines."

What British Airways clearly understands—and he does not—is the operation of the law of diminishing returns, particularly damaging when the size of cur- rent aircraft must remain con- stant even though the load factor may shrink. To equate this question with that of the "bucket shops" of the travel industry would like to see resolved by there being no cut-price tickets for them to sell—in my opinion, a complete red herring.

Only, I believe, by catering for all classes of traveller within the same scheduled pattern—whether by differences of service and comfort or by restrictions on size of groups, times of travel and length of stay—can the problems facing the inter- national airlines be resolved, with consequent benefit to all concerned save those whose business was built on an earlier failure of the airlines to agree on the solution to the problems facing them.

A. B. M. Good, Vulcan House, 46, Marshall Street, W.I.

Savings in energy

From The Director, The Total Energy Company.

Sir,—Sir Alan Cottrell's letter (December 15) and the succeed- ing correspondence, the particu- larly Crainger's letter (December 22) are indeed stimu-

lating and encouraging. Sir Alan pointing convincingly to a way for us to enter the post-fossil-fuel era and Mr. Crainger indicating potential increases of 20 per cent. in available supplies of energy to give more time.

Perhaps it is opportune to supplement these letters which are concerned with research and development with a word about the tools ready to hand, one of which in particular can be as potent in its contribution to our energy situation as some of those being researched and its con- straints are institutional rather than the need for time and money.

Total energy—or combined heat and power production—periodically becomes a subject for correspondence and engineers historically have quietly and persistently continued to do what they can within the constraints to use the concept for the saving of fuel and money. That total energy on average uses 20 per cent. less fuel than conventional methods for generating power and heat I explained in a lecture to the Science Research Council's summer school in Oxford last July. I have since elaborated, in papers concerning investment required to save 1 Tce/yr, that in a comparison for instance, of total energy with the replace- ment of 67 per cent. efficient by 80 per cent. efficient, the saving of 2 Tce/yr can be saved by the former for the price of 1 Tce/yr saved by the latter. The total energy concept with its 20 per cent. fuel saving, is in concert with the prospective 20 per cent. stretching of supplies mentioned by Mr. Crainger, obviously of immense significance. Further- more, it can gradually bring NCB replacement markets for those which it will lose in central power plants as the nuclear age comes closer. The concept applies equally to oil and gas as to coal and can be effectively allied with both the primary fuel interests and with those of the consumers and suppliers of power.

The previews for the restruc- turing of the electricity supply industry, which were the subject of your editorial of December 22 do not give any hints of changes that will mitigate the current institutional constraints on total energy. But there are proposals before the three nationalised energy industries and relevant private sector interests that can defuse these constraints regard- less. Given a successful outcome to these proposals and support from the various governmental committees examining combined heat and power generation, there is no reason why the New Year of 1976 should not see the start of a significant "take off" of this concept with most salutary consequences for both our internal fuel economy, our exports of goods and services and our long-term energy position.

C. M. D. Peters, 5, William Orchard Close, Old Headington, Oxford.

Beef tests for Friesians

From Mr. W. Weightman.

Sir,—One of the many dis- turbing features in your article December 22 relates to meat "the Meat and Livestock Commission, the Ministry of Agriculture and the trade all expect prices to rise as the highlights the effects of one of the greatest defects in our cattle by breeding and exposes the stagnation in our beef in- dustry. We are retarding efforts to produce more beef from our live stock because of the failure to beef test British Friesian bulls on the same basis as bulls from the recognised beef breeds.

The wish to work

From Mr. P. Gray.

Sir,—The Chrysler situation prompts me to ask how far this principle of taxpayers' support can be equitably carried on.

I feel able to say that I speak for many thousands of principals in professional firms and self-employed heads of other busi- nesses, who are keeping staff on at virtually their own expense in the hope that an upturn in business will occur before the cash runs out. The TUC, through Mr. Len Murray, talks of the need for extensive use of public money, that is taxpayers' money, to support large bodies of seem- ingly privileged supporters of the TUC (the Review Staff Report seems to suggest that many of these people do not like work anyway) "until such time as there is an upturn in the econ- omy; so that they can be ready when that time comes."

As an architect I would like to point out that the building in- dustry is a vastly greater em- ployer of people than many of the categories now pleading for support. There must be many thousands of people like myself who are now indirectly support-

ing the building industry and other businesses, and the ques- tion I would like to pose is that if my direct tax money goes to support Chrysler workers, etc., surely I should be eligible for substantial tax relief on the money I pay out to keep my own staff employed?

What makes the so-called car "worker" so privileged in these difficult times in cash terms, when all he has to do is simply work properly and his problems will largely solve themselves? I would much prefer to retain my tax and pay it to my really hard-working staff to keep them and their families going rather than see it all thrown down a bottomless pit of TUC-inspired semi-idleness endeavours.

Perry Gray, Arndale House, Charles Street, Bradford.

Provision for woodland

From the Group Chief Executive, Economic Forestry Group.

Sir,—In such a rapidly changing world the information contained in most Government reports is frequently out of date before it is published. The Forestry Commission Report published on December 17 is an admirable document but by showing the fall in tree-planting at only 7 per cent, and the apparent success of the new Basis III Dedication Scheme it fails to acknowledge the catastrophic fall in private planting and applications for "Dedication" since the intro- duction of Capital Transfer Tax. The difference, of course, is due to the fact that Forestry Com- mission figures are based on grants paid up to March 31, 1975, when most planting takes place between March and June. If we are to present up-to-date facts surely the relevant figure is grants paid since the introduc- tion of CTT.

Every Select Committee on Wealth Tax, divided on many issues, was agreed that "there is a strong case on balance of pay- ments grounds for increased home production of timber." Wood and wood products are now costing us £1m. every four and a-half hours. Pension fund managers may well be alive to the fact that established forests are a means of protecting their resources for the future but without some further incentive they cannot be expected to contribute to private planting. Only adjustment to the present in- adequate CTT provisions for woodlands and the restatement of Government forestry policy will encourage foresters and woodland owners to provide the ingenuity and the capital to help shape our environment for generations to come.

John Campbell, Hillgate House, 26, Old Bailey, E.C.4.

The year of Catch-76

From the Printer to the University, Oxford.

Sir,—Is next year to be the year of Catch-76? It looks as though both the Central Electricity Generating Board and now the Post Office have cottoned on. You raise your prices—the consumer reacts by reducing his consumption—you say that the consequent shortfall has raised your unit costs and you raise your prices—the consumer reacts, etc., etc.

Who now says that Monopoly is just a game? Vivian Ridler, University Press, Oxford.

To-day's Events

- Causton (Sir Joseph), Win- chester House, E.C., 11.30.
- Clifford and Snell, Croydon, 5.
- Clyde Petroleum, Glasgow, 12.
- Concentric, Sutton Coldfield, 3.
- Dollar Land, Connaught Rooms, W.C., 11.
- Fitzroy Investment, Connaught Rooms, W.C., 11.30.
- N.Y. Dart, Barmet, Herts, 12.
- Mid Kent Water, Snodland, 12.
- Northern American Trust, Dun- dee, 12.
- Norwest Holist, 5, Belgrave Square, S.W., 10.30.
- Phoenix Mining and Finance, Winchester House, E.C., 12.45.
- Rosehugh, 37, Queen Street, E.C., 12.
- Samuel Properties, 100, Wood Street, E.C., 3.
- Scottish and Mercantile Invest- ment, Winchester House, E.C., 12.
- Sheaf Steam Shipping, New- castle-upon-Tyne, 12.
- OPERA**
- Royal Opera production of L'Elisir d'Amore, Covent Gar- den, W.C.2., 7.30 p.m.
- English National Opera produc- tion of Salome, Coliseum Theatre, W.C.2., 8 p.m.
- BALLET**
- London Festival Ballet dance The Nutcracker, Royal Festival Hall, S.E.1., 7.30 p.m.
- SPORT**
- Rugby Union: Combined Ser- vices v. Australians, Aldershot.

Lloyds and Scottish

A Satisfactory Year

Main points from the statement by the Chairman, Ian W. Macdonald

- * Group profit before tax amounted to £13.1 million compared with £10.59 million in 1974 – an increase of 23.7%. It is satisfactory that the downward trend of the previous year has been reversed despite dramatically increased operating costs.
- * Adverse effect of slackening in the demand for credit for consumer goods has been offset to some extent by an improved share of available markets.
- * Our diversified activities in distribution and retail companies have made good progress.
- * New investments: Scottish Discount Company (77%) and Alex. Lawrie Factors (100%) at total aggregate cost of approximately £2.75 million.
- * Dividends per share have increased to 3.22615p. the maximum permitted under the provisions of the Counter Inflation legislation on company dividends, from 3.01p. last year. The year's dividend is covered 1.91 times.

Future Prospects

Some of the factors which affect the earnings of the Lloyds and Scottish Group—inflation, depression in world trade and falling standards of living—inevitably retard the real progress of all economic activity. The indications today are rather more encouraging than a year ago. Recovery in the countries least affected by inflation is widely anticipated during 1976. Britain unfortunately is not in this category, but there is some evidence that the tide will turn for this country before the end of next year.

The major question for those involved in the instalment finance industry is how soon Britain can safely change gear to a policy of gradual deflation. This policy would involve an easing of restraints such as terms control and VAT, and probably lower interest rates. Each of these would have a beneficial effect on our earnings. We have so far successfully weathered the storms and I have every confidence in the future of the Group.

CONSOLIDATED PROFIT STATEMENT		
	1975	1974
Group profit before taxation	£13,000	£10,590
Group profit after taxation and minority interests	6,237	4,862
Extraordinary items	50	(638)
Profit after extraordinary items	6,287	4,224
Attributable to Lloyds and Scottish Limited	3,261	2,850
Dividends	3,026	1,374
Profit retained in the Group		

Lloyds and Scottish Limited

+ FOREIGN EXCHANGES

NEW YORK, Dec. 28.

k Motors were predominantly higher. BMW were up DM12 to p 275 and Daimler DM2.50 to 352.50 n but VW shed DM0.40 to 139.50

Machine Makers gained up to 3 per cent, while Steels broadly advanced up to 10 per cent. Metals were firm.

Minings mostly gained ground. Utilities largely remained neglected. Stores were mixed to lower, while Breweries mostly gained some ground.

In Fixed Interest Securities Domestic Public Bonds were mixed.

SWITZERLAND — Generally very steady in moderately active trading.

Leading Banks improved while

Financials were little changed. In Transports, Swissair declined Frs.13 to Frs.453 after manage

ment hinted at the possibility of a 1973 dividend cut. Industrials were mostly well disposed.

On the Foreign sector, Dollar stocks generally firmed over a broad front in rather an active turnover. Dutch International improved and Germans firmed slightly.

OSLO—Industrials, Insurance and Banks were steady, while Shippings were quiet.

VIENNA—Generally higher. Major Banks showed scattered gains, Insurances and Constructions firmed slightly.

COPENHAGEN—Mixed in fair dealings.

HONG KONG—Higher across the-Board in active trading. Hong Kong Bank were up 10 cents to \$HK18.70, Hong Kong Land 35 cents to \$HK7.23. Hutchi-

son 11 cents to \$HK1.91, Jardine 60 cents to \$HK23.40, Hong Kong Electric 7 1/2 cents to \$HK3.80, and Hong Kong and Kowloon Wharf 70 cents to \$HK14.20.

JOHANNESBURG—Gold shares were steady in extremely quiet

Metals were mixed, with Messina down 5 cents to R343. Industrials were quietly steady.

AUSTRALIA—Generally firm in quiet trading.

Ampol Exploration rose 12 cents to 98 cents, Queensland Mines gained 14 cents to \$A2.29 and Kathleen put on 8 cents to \$A1.48. Mercantile Mutual improved 11 cents to \$A3.31 on the revised offer from Australian Guarantee. Burns Philp were up 5 cents and

The following nominal rates were quoted for deposits: one month $5\frac{1}{16}$ - $5\frac{3}{16}$ per cent.; three

as did Herald to \$A2.25.
 Woodside Burmah were 4 cents
 up at \$A1.49.

GERMANY •

	Prices	+ or -	Diz.	Yld.
Dec. 29	Dm.			
			3	3

Auriferous Age	4,560	-85	130	2.9	Alloy Steel, Prod. Inform.	11.78		Resorts	15.0
Bestuigi	1,244	-57	70	5.6	Japan Exploration	10.98	+0.12	Harmony	15.19
Breds	2,620	-73	166	3.8	Amjol Petroleum	10.66	+0.02	Kimross	5.30
Burno	11,010		200	1.8	Assoc. Minerals	12.60		Niofi	8.25

CIGAR	1.350
CIGAR	1.350
CIGAR	1.350

[illegible]

CIGAR	1.350
CIGAR	1.350
CIGAR	1.350

[illegible]

Dec. 29, 1960 Dec.

Gold Bullion.....	131.00	131.00
1000 oz case.....	131.00	131.00
Circo.....	131.1452	131.401
Opening.....	131.00-1414	131.401
Morning 's'g.....	131.00	131.401
Afternoon.....	131.75	131.401
.....	131.70-0652	131.401
Gold Coins.....	131.44	131.401
Domestically.....	131.44-14	131.401
Kruggerand.....	131.44-14	131.401
New Sov's'g.....	131.44-14	131.401
Old Sov's'g.....	131.44-14	131.401
Gold Coins.....	131.44-14	131.401
Kruggerand.....	131.44-14	131.401
New Sov's'g.....	131.44-14	131.401
Old Sov's'g.....	131.44-14	131.401
500 Roubles.....	131.44-14	131.401
\$10 Roubles.....	131.44-14	131.401
\$5 Roubles.....	131.44-14	131.401

Market Rat	
------------	--

Dec. 28 1976	Bank Rate %	Day's Spread	
New York	6	2.03-10-2.02-60	2.02
Montreal	6	2.04-75-2.03-60	2.03
Amsterdam	4 1/2	5.42-45-5.43	5.43
Brussels	7 1/2	79.75-80.17	79.75
Copenhagen	11	12.44-12.47	12.41
Frankfurt	5 1/2	5.58-5.51	5.52
Lisbon	5 1/2	54.50-55.50	55
Madrid	17	129.40-130.00	129.50
Milan	6	1.178-1.182	1.180
Osaka	6	119.00-119.05	119.02
Paris	6	8.23-8.26	8.24
Stockholm	6	8.68-8.80	8.70
Tokyo	5 1/2	118.92-1	118.92
Vienna	6	57.15-57.45	57.15
Zurich	5	5.23-5.22	5.20

* Basic discount. * Rates given
 convertible franc; closing financial

51.60-51.60

Argentina (d-122-52-128) Notes Re: Argentina;

Australia	1,8094-1,8789	Austria	1
Brazil	18.18-18.35	Belgium	1
Finland	7.78-7.80	Brazil	1
Greece	70.957-72.492		
Hong Kong	10.173-10.182	Denmark	1
India	1.0000-1.0000	France	1
Japan	0.585-0.535	Germany	1
Luxembury	7.325-7.305	Greece	1
Malaysia	5.2376-5.3475	Italy	1
N. Zealand	1.567-1.5483	Japan	1
Saudi Arab	7.06-7.5	Netherd	5
Singapore	5.0253-5.0475	Portugal	1
S. Africa	1.7489-1.7675	Spain	1
U.S.		Switzerland	1
Canada		U.S.	2
U.S.		U.S.	2
U.S. cents	88.50-98.55	Uganda	1

rate.	Special financial rate (d)
174.73	

	One month	Three months
New York	0.80-0.80 c. per	2.85-2.85
Montreal	0.35-0.25 c. per	1.22-1.16
Amst'dam	2 1/2-1 3/4 c. per	18-7 c.
Brussels	40-20 c. per	105-85 c.
Copenhagen	7 1/2-6 1/2 c. per	116-104 c.
Frankfurt	100-100 pf. per	100-100
London	100-100 s. per	150-150
Milan	5 1/2-5 1/2 lire per	54-52 li.
Paris	5 1/2-5 1/2 francs per	173-164 c.
Rome	5 1/2-5 1/2 lire per	173-164 c.
Stockholm	25-24 c. per	174-164 c.
Vienna	25-24 c. per	174-164 c.

pm and 12-month 8.25-8.15c pm.

JOHANNESBURG		MINES	
Dec. 30	Rand		
Anglo American Corp.	4.30		
Charter Consolidated	17.50		
East Driefontein	11.40		
Esaburg	2.20		
Harburg	15.10		
Kimross	5.50		
Kloof	8.25		
Pretoria Platinum	1.77		
S.G. Rehena	124.75		
South Vast	8.00		
Union Corporation	3.95		
De Beers Deferred	3.32		
By next night	3.30		

President Steyn	14.00
St/Monteta	2.40
St/Trom	2.40

Western Holdings	256.30
Western Deep	117.00 nd
INDUSTRIALS	
African Explosives and Chem.	2.00
Anglo-Amr. Industrial	3.10
Anglo-Transvaal Industries	71.95
Barirow Rand	3.18
CA Investments	22.25
Currle Finance	9.33
De Beers Industrial	6.35
Edgars Stores	256.00
Ever Ready SA	1.00
Federal Volksbelegings	2.50
General Development	1.85
Stratford Stores	4.30
Standard Assurance (SA)	71.23

UK Bazaars	18.60
Investments	10.35

Premier Milling	16.00	2d
Pretoria Cement	12.50	
Protea Holdings	1.23	
Real Mines Properties	12.00	
Reinhardt Group	15.40	
Rennold's Bros.	12.10	
Share Holdings	11.70	
AFPI	1.58	
GRV	1.58	
SA Dist. & Wines	1.16	
SA Dist. & Wines	5.30	
Singer Oats and Nat. Millg.	17.60	
Misc.	1.02	

ance Bilbao	865	+
ance Atlantico (1,000)	645	-
ance Central	875	

ance	Exterior	574	+
ance	General	220	
ance	Granda (1,800)	363	7
ance	Hispano	527	
ance	Merico	686	
ance	Nordeste	329	
ance	Occidental	456	+1
ance	Popula	700	
ance	Santander (330)	248	
ance	Vizcaya (1,900)	616	
ance	Vizcaya	715	
ance	Yucatán	343	
ance	Zacatecas	362	
ance	General	182	

cinco	176	+
ragados	715	+1
mobenif	138	-

Energías ARA	180.50	
Empresas Zinc	240	+
Exp. Río Tinto	319.75	
Finca (1,000)	233.50	-
Finca (1,000)	121	
Granadero SA	443	-
Granadero Servicios	436	-
Granadero	407	-
Granadero Velazquez (400)	122	+
Granadero	122	+
Granadero	299	+
Granadero	319	-
Granadero	580	-
Granadero	315	-
Granadero	315	-
Granadero Papalarga	315	+15
Granadero (1,000)	150	-
Granadero Elec.	150	-

los Elec.	152	-
los y Felix	630	-10

NOTES: Overmarket prices, excluding
premium. Belgian dividends are shown
or withholding tax.

DKK50	denom. unless otherwise stated
Fr.100	denom. unless otherwise stated
Fr.500	denom. unless otherwise stated
Prs.500	denom. unless otherwise stated
denom. 50	denom. unless otherwise stated

price at time of suspension
of payments.
a Denmarks, b Schillings, c Cent. or
after pending rights and of
e Far Shams, f Francs, g Gr
of. rights.
of. rights.

Field exclude special payment. 1
ed div. & Unofficial trading. 2 Minn
ders only. 3 Merger pending. 4 Ad

id. 1 Traded. 1 Seller. 1 Asses
Ex rights. 10 Ex dividend. 10
p issue. 10 Ex all. 10 Interim 10
reased.

Yesterday's announcement that India's general election is to be postponed for at least a year marks another stage in the consolidation of Mrs. Gandhi's position. How is she using her powers? Kevin Rafferty on India's New Year prospects

Follow my leader

MRS. INDIRA GANDHI may have removed immunities this week reveal to the All-India Congress Committee, the ruling party's supreme body, just how she plans to remould the country. Failing that, she will have another opportunity when Parliament sits again early in the New Year. So far the Indian Prime Minister has shown only the negative and tough side of her new regime with the proclamation of a State of Emergency, arrests and imprisonment without trial, suspension of natural rights, refusal of appeal to the courts, and, yesterday, the postponement of the country's next general election by at least a year.

Some claim that nothing has changed and that India is still a democracy. Against this assertion have, however, to be set the powers Mrs. Gandhi has assumed since the State of Emergency was declared on June 26.

● Natural rights under the Constitution are suspended and no one can ask a court to enforce them;
● Detainees under the Maintenance of Internal Security Act, 1971, (MISA) cannot be told the grounds of their detention (under the original Act the grounds had to be disclosed within a few days), and are forbidden bail and any claim to liberty through natural or common law;
● Under the 38th Amendment to the Constitution, the Proclamation of Emergency is outside the jurisdiction of the courts, leaving no redress against misuse by the State of its powers even once the Emergency is over;

● Under the 41st Amendment Bill (already passed by the upper house of Parliament), the President, Prime Minister and State governors will have immunity from criminal prosecution for life and from civil prosecution during their term of office.

First sign

Some of these powers will lapse when, or if, the State of Emergency is ended, but Mrs. Gandhi has already given notice that she intends to apply a heavy controlling hand to the reformed India. The first sign came earlier this month with the promulgation of the Prevention of Publication of Objectionable Matter Ordinance, 1975.

Under this, the Government can take action against "publications which are likely to excite disaffection against the established Government." "Objectionable matter" is defined as "words or visible representation" which "bring into hatred or contempt or excite disaffection towards the Government established by law in India or in any state thereof and thereby cause or tend to cause public disorder." The same day in another ordinance the Govern-

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states, Mrs. Gandhi had to make to a moneylender. It meant still less to the homeless, jobless scavenger on the streets of Calcutta. The Opposition parties were disorganised and had no alternative policy. Some Indians in Mrs. Gandhi's camp compare the Emergency with the Shah of Iran's "White Revolution" of February, 1962. They say that they would willingly swap the endless hot air and squabbling in Parliament, the corruption and inefficiency, for a managed system which tried to do something about India's endless problems.

But this is precisely where action is awaited. Mrs. Gandhi has shown the force of her arm against those who have stood in her way. She has made eloquent promises: "Garibi hato" (abolish poverty) was the 1971 election slogan, and in July came a 20-point economic programme offering homes to the homeless, jobs to the jobless and the abolition of rural indebtedness. But she has yet to show how she translates this programme into action.

India's basic problems of poverty and population will not be solved by repression. It is true that prices this year have come down, and restrictions on the money supply and the ruthless stamping on trade unions have helped. But an excellent monsoon and harvest, for which Mrs. Gandhi can hardly claim credit, has been the main factor. And India has been hard hit by the worldwide recession. Of the 135 mini steel plants, 102 are closed. There is a stockpile of 1m. tonnes of steel—more than two months' production from the integrated plants. There is a similar two months' stockpile of aluminium. The car industry, vehicle builders, machine tool makers and cement producers are all producing at half capacity or less.

And this is the situation of an already poor country. Per capita income in India is about \$120 a year. According to the Government at least 40 per cent of the population—250m.—live below an austere defined poverty line. The earlier years of Mrs. Gandhi's Premiership coincided with unprecedented economic growth in much of the world; India slipped backwards. According to the *Economic Times* of India, the rise in the country's real national income in 1974-75 was 1.6 per cent, bringing the total growth for the four years following Mrs. Gandhi's election victory to 5.2 per cent. In the same period, the population went up by 9 per cent; the ordinary Indian became steadily poorer—and his poverty was already acute.

Under this, the Government can take action against "publications which are likely to excite disaffection against the established Government." "Objectionable matter" is defined as "words or visible representation" which "bring into hatred or contempt or excite disaffection towards the Government established by law in India or in any state thereof and thereby cause or tend to cause public disorder." The same day in another ordinance the Govern-

ment removed immunities this week reveal to the All-India Congress Committee, the ruling party's supreme body, just how she plans to remould the country. Failing that, she will have another opportunity when Parliament sits again early in the New Year. So far the Indian Prime Minister has shown only the negative and tough side of her new regime with the proclamation of a State of Emergency, arrests and imprisonment without trial, suspension of natural rights, refusal of appeal to the courts, and, yesterday, the postponement of the country's next general election by at least a year.

Some claim that nothing has changed and that India is still a democracy. Against this assertion have, however, to be set the powers Mrs. Gandhi has assumed since the State of Emergency was declared on June 26.

● Natural rights under the Constitution are suspended and no one can ask a court to enforce them;
● Detainees under the Maintenance of Internal Security Act, 1971, (MISA) cannot be told the grounds of their detention (under the original Act the grounds had to be disclosed within a few days), and are forbidden bail and any claim to liberty through natural or common law;
● Under the 38th Amendment to the Constitution, the Proclamation of Emergency is outside the jurisdiction of the courts, leaving no redress against misuse by the State of its powers even once the Emergency is over;

● Under the 41st Amendment Bill (already passed by the upper house of Parliament), the President, Prime Minister and State governors will have immunity from criminal prosecution for life and from civil prosecution during their term of office.

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All of these Securities have been sold. This announcement appears as a matter of record only.

\$60,000,000

Carter Hawley Hale Stores, Inc.

9.45% Debentures Due 2000

Interest payable June 15 and December 15

MORGAN STANLEY & CO.

BLYTHE EASTMAN DILLON & CO. THE FIRST BOSTON CORPORATION GOLDMAN, SACHS & CO. MERRILL LYNCH, PIERCE, FENNER & SMITH SALOMON BROTHERS DILLON, READ & CO. INC. DONALDSON, LUFKIN & JENRETTE DREXEL BURNHAM & CO. HALSEY, STUART & CO. INC. HORNBLOWER & WEEKS-HEMPHILL, NOYES E. F. HUTTON & COMPANY INC. KIDDER, PEABODY & CO. KUHN, LOEB & CO. LAZARD FRERES & CO. LOEB, RHOADES & CO. PAINE, WEBBER, JACKSON & CURTIS SMITH, BARNEY & CO. WERTHEIM & CO., INC. WHITE, WELD & CO. DEAN WITTER & CO.

December 24, 1975.

All of these securities have been sold. This announcement appears as a matter of record only.

NEW ISSUE

December 30, 1975

\$50,000,000

Avco Financial Services, Inc.

9 3/4% Senior Notes due December 15, 1983

Kidder, Peabody & Co.

Salomon Brothers

Blyth Eastman Dillon & Co. The First Boston Corporation Dillon, Read & Co. Inc. DONALDSON, LUFKIN & JENRETTE DREXEL BURNHAM & CO. GOLDMAN, SACHS & CO. HALSEY, STUART & CO. INC. HORNBLOWER & WEEKS-HEMPHILL, NOYES E. F. HUTTON & COMPANY INC. KUHN, LOEB & CO. LAZARD FRERES & CO. LEHMAN BROTHERS LOEB, RHOADES & CO. MERRILL LYNCH, PIERCE, FENNER & SMITH PAINE, WEBBER, JACKSON & CURTIS REYNOLDS SECURITIES INC. SMITH, BARNEY & CO. WERTHEIM & CO., INC. WHITE, WELD & CO. DEAN WITTER & CO. BEAR, STEARNS & CO. L. F. ROTHSCHILD & CO. SHEARSON HAYDEN STONE INC. ABD SECURITIES CORPORATION BASLE SECURITIES CORPORATION KLEINWORT, BENSON UBS-DB CORPORATION A. E. AMES & CO., INC. GREENSHIELDS & CO INC. Ultrafin International Corporation Wood Gundy Incorporated

All of these securities having been sold, this announcement appears solely for purposes of information.

NEW ISSUE

December 17, 1975

\$150,000,000

International Paper Company

8.85% Sinking Fund Debentures Due 2000

The First Boston Corporation

Morgan Stanley & Co. Goldman, Sachs & Co. Kidder, Peabody & Co. MERRILL LYNCH, PIERCE, FENNER & SMITH SALOMON BROTHERS Blyth Eastman Dillon & Co. DILLON, READ & CO. INC. DREXEL BURNHAM & CO. HALSEY, STUART & CO. INC. HORNBLOWER & WEEKS-HEMPHILL, NOYES E. F. HUTTON & COMPANY INC. Kuhn, Loeb & Co. LAZARD FRERES & CO. LEHMAN BROTHERS LOEB, RHOADES & CO. PAINE, WEBBER, JACKSON & CURTIS REYNOLDS SECURITIES INC. SMITH, BARNEY & CO. WERTHEIM & CO., INC. WHITE, WELD & CO. DEAN WITTER & CO. WARBURG PARIBAS BECKER INC. SoGen-Swiss International Corporation

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI

E. N. I.

(National Hydrocarbons Authority)

6% Sinking Fund Debentures due February 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on February 1, 1976 at the principal amount thereof \$250,000 principal amount of said Debentures bearing the following serial numbers:

DEBENTURES OF U.S. \$1,000 EACH

155	1351	3155	3106	5094	6049	6396	7802	8515	11294	12682	14889	15056	17778	18261	19487
224	1263	2320	3146	5187	6176	7050	7834	10724	12650	14023	14748	15028	17825	18355	
339	1267	2347	3364	5417	6178	7201	8206	10724	12650	14023	14748	15028	17825	18355	
455	1284	2497	3509	5431	6215	7234	8458	10926	12899	14282	14978	15264	18046	18566	
569	1478	2477	3515	5542	624	7278	8473	10926	12899	14282	14978	15264	18046	18566	
613	1486	2522	3523	5550	6426	7281	8515	10975	12926	14318	15028	15264	18046	18566	
716	1538	2550	3513	5550	6426	7281	8515	10975	12926	14318	15028	15264	18046	18566	
780	1578	2589	3518	5551	6519	7474	8546	10975	12926	14318	15028	15264	18046	18566	
831	1586	2625	3528	5573	6526	7526	8571	10975	12926	14318	15028	15264	18046	18566	
951	1627	2652	3538	5582	6532	7532	8571	10975	12926	14318	15028	15264	18046	18566	
1073	1643	2720	3444	5753	6550	7550	8585	10785	12514	14215	14978	15264	18046	18566	
1211	1653	2688	3538	5753	6550	7550	8585	10785	12514	14215	14978	15264	18046	18566	
1336	1653	2688	3538	5753	6550	7550	8585	10785	12514	14215	14978	15264	18046	18566	
1455	1653	2688	3538	5753	6550	7550	8585	10785	12514	14215	14978	15264	18046	18566	
1572	1653	2688	3538	5753	6550	7550	8585	10785	12514	14215	14978	15264	18046	18566	

On February 1, 1976 there will be currency of the United States of America as said date is legal tender for the payment thereof in public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N. Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. in Luxembourg. Debentures surrendered for redemption should have attached all unexpired coupons appurtenant thereto. Coupons due February 1, 1976 should be detached and collected in the usual manner. From and after February 1, 1976 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI
By: **MORGAN GUARANTY TRUST COMPANY**
OF NEW YORK, Fiscal Agent

December 23, 1975

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

155	1351	3155	3106	5094	6049	6396	7802	8515	11294	12682	14889	15056	17778	18261	19487
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This service is available to every company.

EARNING AND RAW MATERIALS

New Soviet grain cut indicated

MOSCOW, Dec. 29.

FIGURES RELEASED by the government newspaper, *Izvestia*, on average Soviet grain output over the past five years mean that the 1973 total was less than 33m. tonnes, say Western observers.

Izvestia says the average over the five years was 180m. tonnes. This would bring the total for the year to 900m. tonnes. After subtracting known output for 1973 of 767.6m. a crop of 32.4m. is left for this year.

Earlier this month, Western experts calculated the crop at 37m. tonnes against an official target of 215.7m. These calculations have not been confirmed by officials.

In Rotterdam, meanwhile, a director of a Soviet/Belgian ship-owning company said Rotterdam and Amsterdam ports were expected to transport about 50,000 tonnes of U.S. wheat to the Soviet Union in the next five months.

Mr. H. A. G. Blankenstein, of transworld Marine Agency of Rotterdam said most of the wheat could be handled by the Rotterdam silo complex in Rotterdam.

The maximum which could be shipped via this route was estimated at 1m. tonnes, Mr. Blankenstein said. He did not state other routes, but ruled out the use of inland shipping routes, saying the Rhine-Meuse canal was not complete.

Japanese soya and grain stock plan approved

TOKYO, Dec. 29.

THE JAPANESE Agriculture Ministry has announced that the Finance Ministry has approved its plan to help private industries to build a stockpile of 1,000 tonnes of soyabean and 20,000 tonnes of feedgrains during the 1976 fiscal year.

Appropriations totalling ¥2bn. 40 are made for this purpose in the national budget for the 1976 fiscal year, starting in April.

The money will subsidise the whole cost of interest payment and storage for the stockpile, which will be built jointly by the government and private industries.

The Ministry hopes to create a stockpile of 300,000 tonnes of soyabean and 600,000 tonnes of feedgrains, such as maize and grain sorghum, during the next five years.

The stockpile, coupled with privately-owned stocks, is expected to represent two months' consumption of these products.

ICI fertilisers to cost up to 6% more

BY JOHN EDWARDS, COMMODITIES EDITOR

PRICE RISES for the ICI range of fertilisers have been approved by the Price Commission yesterday. The increases, to be implemented in January, will mean that ICI straight nitrogen fertilisers will cost 6 per cent more and compound fertilisers 5.7 per cent extra.

A general round of fertiliser price increases is likely now. Fisons, the other dominant supplier of fertilisers in Britain, confirmed yesterday that a price increase for straight nitrogen fertilisers was being negotiated with the Price Commission; it is expected that the company will announce higher prices soon.

Mr. Jack Heath, chairman of Fisons' fertiliser division, recently warned that price increases would be necessary as he claimed, non-raw material costs had risen by 25 per cent since the last fertiliser price rises early in 1973.

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ICI said that the application for higher fertiliser prices had been submitted to the Price Commission in November. It covered changes in raw materials and other costs up to the time of the claim and also took into account the recent deterioration in the value of sterling.

Although there have been cuts in the price of phosphate rock and potash in world markets during the past year, these have been offset to a large extent by the decline in the value of the pound.

The last increases in the prices of fertilisers were in March, for straight nitrogen brands, and in January for compound fertilisers.

These followed a series of astronomical rises in 1974 when fertiliser prices rocketed as a result of raw material cost soaring. Phosphate rock went up by

almost 500 per cent, ammonia 700 per cent, sulphur 225 per cent and potash 100 per cent.

The "modest" price increase on occasion follows a standstill for nearly 12 months, in which other costs have risen sharply. This reflects the more competitive situation in the U.K. fertiliser market, as well as an easing of the pressures exerted by raw material costs.

Fertiliser companies claim that sales have been "buoyant" in 1973 and it is admitted that there are adequate supplies at present. Farmers, who have suffered severe financial problems during the past year, are not keen to buy at the moment. However, some optimism is returning to the industry as a result of the exceptionally mild autumn.

The kinder weather has helped the dairy sector to revive milk output considerably and encourage record plantings of winter wheat.

Reuter reported from Frankfurt, meanwhile, that Zaire and Zambia are expected to increase copper sales to West Germany in 1974, according to the world magazine published by Metallgesellschaft.

The company, which became the sole representative of Zambian and Zaire State copper organisations in West Germany under agreements signed in October, forecast that Zambian shipments in 1974 would rise from 81,000 to 100,000 tonnes, and those from Zaire to 80,000, against 55,000 this year.

There was an unexpected rise of 80 tonnes in tin stocks, raising the total to a new peak of 7,255 tonnes, but this had little impact on the market, which was ended by a rise in copper.

Strait tin prices over the holiday period. Cash tin closed marginally lower, however, with the forward quotation slightly higher.

A fall of 1,325 tonnes in zinc stocks to 69,750 was a bigger decline than expected. But the fall in copper brought a downturn in values, despite some suspected support buying in early trading.

Lead stocks rose by 50 to 85,300 tonnes. LME silver holdings dropped by 300,000, to 17,530,000 ounces. Although prices were higher in earlier trading, they eased in later trading reflecting a turnaround in U.S. markets.

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Draft pact on rubber agreed

By Our Own Correspondent

KUALA LUMPUR, Dec. 29.

AFTER SEVEN months of discussions, technical experts from the Association of Natural Rubber Producing Countries (ANRPC), have hammered out a draft agreement for the proposed international rubber price stabilisation scheme.

But the draft pact, reached at a recent meeting in Bangkok, will have to undergo further study and refinement by the ANRPC executive council, meeting in Kuala Lumpur in February, before it can be presented to a ministerial meeting.

The ministerial meeting, which will be held in London, said Dr. Moeliono, ANRPC secretary general, here-to-day.

It contains guidelines and definitions for a two-pronged approach to price stabilisation involving the creation of an international rubber stockpile and "supply rationalisation measures" to be adopted by individual member countries, as well as the financial contribution of each member.

These are the depressing conclusions which one was forced to reach after attending the conference on Marginal Farming Areas-Agricultural and Regional Policy, held in Edinburgh recently by the Agricultural Economics Society.

Scotland has about three-quarters of its agricultural land classified as rough ground, so marginal farming is of vital importance to Scottish agriculture.

Three-quarters of the beef herd is kept on hill and upland areas, together with about 84 per cent of the Scottish ewe flock.

Thus 1,000 hill farms, and 6,000 upland farms breed most of the livestock which is fattened on the richer lowlands to produce prime Scottish meat.

MEASURES to be taken to ensure that this livestock is kept on the hills by headage payments currently paid wholly by the Department of Agriculture and Fisheries for Scotland. Beef cows earn £24.50 per head, hill ewes £3.60 and hill lambs £2.85.

Hill ewe flocks typically wean 70 lambs per 100 ewes, and retain 30 for replacements. This leaves only 40 lambs to be sold off the farm which, at present prices, makes lamb sales per ewe about £1.00, the ewe subsidy of £3.60 per head.

Relationships like this mean that Exchequer support has been

needed to keep the industry viable.

But the Government is now considering a new system of support, based on the value of the products produced, rather than on the number of animals.

Under the new system, hill farms would receive a subsidy of £1.00 per head, and lowland farms a subsidy of £0.50 per head.

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SCOTTISH AGRICULTURE

No easy solution to hill farm problems

BY A CORRESPONDENT

THERE ARE no obvious solutions to the farm income problem in hill and upland areas. A lack of alternative job opportunities makes it essential to maintain the farming population to prevent total economic decline in these remote regions.

Tourism and forestry are alternative sources of income, but with farming, without offering greater employment potential, and so must be developed with care.

Government headage subsidies remain vital in maintaining the cattle and sheep populations in these areas. But the subsidies must be carefully applied, since they may perpetuate a static situation, hindering the economic development of farming and becoming a drain on the exchequer.

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between 50-80 per cent of net farm income over the last few years. Even on the most profitable farms this support is considerable, reducing their net potential.

It would be wrong to interpret these figures as suggesting that the present subsidies schemes, of which the funds ensure that some use is made of the potential of upland regions, as well as supporting the social infrastructure of these areas.

Dr. Raymond Craps, director of the EEC Commission's Department of Agricultural Structures and Environment, expressed recognition of these points in his address on EEC policy relating to less favoured areas.

It was obvious from the discussions that farming must remain the key industry in these regions. Therefore, it is support systems which remain vital to their sustenance. However, Dr. Craps warned on the need to avoid perpetuating a static, inefficient situation, and to encourage the importance of headage subsidies to farmers' incomes in these areas, but they undoubtedly bolster up inefficiency and depress incentives for development.

Unfortunately, the only possible way at present to reduce the importance of these subsidies is to increase massively the value of lambs and calves produced on these farms.

A symposium on the world wool market held just before the conference began, concluded that another tight world supply situation in 1977 was possible, while British beef output would almost certainly be some 25 per cent down from the 1975 output of 1.2m. tons. Much stronger market prices, therefore, may be in the pipeline.

But the worrying thing about the supply of Scottish meat is how much of the 25 per cent contraction will take place in the upland and hill areas, before the higher prices on the results of the December Agricultural Census are awaited with great interest.

Relationships like this mean that Exchequer support has been

needed to keep the industry viable.

But the Government is now considering a new system of support, based on the value of the products produced, rather than on the number of animals.

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Surprise rise in copper stocks

BY JOHN EDWARDS

A SMALL RISE in copper stocks, from only 130 tonnes—the smallest movement in weekly stocks for many months—raising the total to a record 496,975 tonnes.

A "bullish" influence in the market in early trading was the report that Copper Range, the U.S. producer, was cutting production at its White Pine plant to only 20 per cent of total capacity and laying off 2,100 workers out of 2,900.

The severe cutback will continue until a stockpile of suitable materials is worked off. The situation will be reviewed again on March 1.

There was an unexpected rise of 80 tonnes in tin stocks, raising the total to a new peak of 7,255 tonnes, but this had little impact on the market, which was ended by a rise in copper.

Strait tin prices over the holiday period.

Cash tin closed marginally lower, however, with the forward quotation slightly higher.

A fall of 1,325 tonnes in zinc stocks to 69,750 was a bigger decline than expected. But the fall in copper brought a downturn in values, despite some suspected support buying in early trading.

Lead stocks rose by 50 to 85,300 tonnes. LME silver holdings dropped by 300,000, to 17,530,000 ounces. Although prices were higher in earlier trading, they eased in later trading reflecting a turnaround in U.S. markets.

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MAXIM FASHIONS LIMITED

ELSLY HOUSE
24/30 GT. TITCHFIELD ST., W.1

INTERIM STATEMENT

The Board of Directors of Maxim Fashions Ltd. announce the following figures for the half-year ended 31st May 1975.

1974/75	1973/74
£	£
156,033	145,963

URNOVER

GROUP (LOSS) PROFITS BEFORE TAXATION

OPERATION TAX

SAVING

LOSS PROFITS ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

The Board of Directors are not recommending an interim dividend.

The Company undertook a complete programme of organisation involving considerable revenue expenditure resulting in the half-year setback.

However, the second half of the year will show a break-even position on the trading results and I am confident in projecting a return to substantial profitability within the first half of the financial year to 31st May 1976.

The reconstituted Board of Directors and myself have further significantly reduced the Company's fixed revenue expenditure and are at present actively engaged in extending and broadening the base of the Company's activities.

A. D. MARKS (Chairman)

APOLLO

Edited by Denis Sutton

the world's leading magazine of Arts and Antiques

Published Monthly price £125 Annual Subscription £16.00 (inland) Overseas Subscription £19.00 USA Air Assisted \$48

APOLLO Magazine, Bracken House, 10, Cannon Street, London, EC4P 4BY Tel. 01-248 8000

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The Financial Times Tuesday December 30 1975

ENGINEERING—Cont.

[illegible]

ridge	53		12.85
Joe Earg	111	+3	15.82
Group	61	+2	13.06
W. & J. Adams	96		14.74
W. Adams	96		14.74
Center Group	33		11.11
San Sarco	123		15.63
mer Inds	28		2.15
erite Sp	37		2.84
Energy Inds. El	130	+1	17.91
E-Plant	102		12.19
Group	102		12.02
10	15		3.68
or Palliser	47		2.95
Alman. 10p	32	+12	2.71
Senses Dim10	625	+3	077c
King F.B. 10p	143		0.72
ace Sp	7		
ies Fories	48		12.75
334 Cresta. El	334	+4	3.98
W. & W. 10p	73		3.44
Eng. 10p	23		11.65
Spring 10p	14		1.18

[illegible]

ton Die 10p	11	0.7	3.7
nal Fed. 10p	18	0.97	4
(S.W.) 20p	32½	43.19	2
erlin 20p	36½	12.34	4
g & W 1p	82	5.63	1

FOOD, GROCERIES, ETC.			
on Foods 10p	23	+1	41.05
er Salt D 10p	115	—	72.4
icruit 20p	70	—	1.1
icric. Fds. 3p	73½	—	71.9
—	267	—	61.25
iseries	26	+2	31.52
on Group 1p	142	+4	30.17
er (Stimex) C	44½	—	6
er & D 10p	4	—	1.0
A.C.G.	115	—	4.82
itt(Geo)	76½	+1	4.23
on York 10p	79	—	12.72
—	79	—	2.0

Q/E1	81	+3	4.99	1	1
St. Saver's	136		17.91	4	1
"A" NV's	65		17.91	4	1
Pres'd 10p	325		18.45	10	1
Frang 1	381		18.37	10	1
St. Mary's	49		27.37	1	1
Milling	334	+3	2.14	0	1
rd Dairies	132		13.88	2	1
"A" NV	62		2.91	1	1
"A" Dairies	57		2.91	1	1
St. Saver's	933	+6	44.25	2	1
"A" NV	73		33.82	2	1
St. Ben. A/E1	142		31.25	1	1
St. Mary's	55	+3	3.13	0	1
St. Louis C. Sp	10				
	55				
		-1	5.6	3	1
	38				
LALES			0.54	1	1
Oilwell 20p	57	+4	3.83	1	1
Briscuits	25		3.45	1	1
Bake Sp	117		200.17	1	1
St. Saver's "A"	35		5.5	1	1
St. Mary's	23		31.58	1	1
St. Saver's	32		32.00	1	1

du P. 20	25		
du P. 21	64	11.22	0.7
du P. 22	90	2.71	2.2
du P. 23	49	12.17	1.3
du P. 24	135	1.2	2.2
du P. 25	124	1.2	2.2
du P. 26	134	1.2	2.2
du P. 27	36	1.2	2.2
du P. 28	232	1.1	2.2
du P. 29	60	3.8	1.9
du P. 30	102	4.5	1.9
du P. 31	70	10.15	2.1
du P. 32	70	21.5	2.6
du P. 33	39	12.47	2.6
du P. 34	73	1.15	1.4
du P. 35	69	2.94	6.55
du P. 36	56	2.53	3.1
du P. 37	92	1.2	3.8
du P. 38	74	1.67	5.15
du P. 39	73	1.3	3.8
du P. 40	253	1.1	3.8
du P. 41	114	0.72	0.94
du P. 42	42	0.72	0.94

Corp. ldp.	11	30.33	3.61
	46	2.68	0.99
Food	84	94.27	2.61
Free M. Ship.	180	14.25	0.80
Low Inv.	2	2.75	0.00
Q1	131	67.50	1.30
Q2 10p	57	33.75	1.30
Q3	55	2.76	0.77
Q4	41	10.5	2.28
El. 12p	25	17.98	1.01
Loss	75	3.25	0.80
Lytle	238	110.8	2.53
Rent 20p	87	13.77	0.25
Unit	41	71.22	2.88
Q1	94	22.83	3.40
Biscuits	106	12.23	3.40
Q2	55	2.84	4.61
Q3	70	11.95	4.61
Q4	65	17.98	3.77
F.J. 10p.	139	15.05	2.77
Heat			

TELS & CATERERS			
St. Top	6	—	—
Fr. 100	287	67.5%	1.7
Walker Sp	47	0.4	3.2
Hotels Top	27	1.09	2.0
aveat	19	—	—
Hotels	79	+1	0.9
Hotels Sp	77	+1	2.1
Car. 91.36	991	+1	1.8
Man Asaz	58	Q1.4	3.5
Int. 20p	41	Q5%	2.9

13	25	41	Ransom Trust	121 1/2	512	0	66.5	8.8	8.8
14	26	42	Dodge Corp. 48-49	121 1/2	505	0	65	8.8	8.8
15	27	43	W. H. & A. Co.	121 1/2	505	0	65	8.8	8.8
16	28	44	W. H. & A. Co.	121 1/2	505	0	65	8.8	8.8
17	29	45	Harris (P) 48-49	121 1/2	505	0	65	8.8	8.8
18	30	46	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
19	31	47	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
20	32	48	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
21	33	49	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
22	34	50	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
23	35	51	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
24	36	52	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
25	37	53	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
26	38	54	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
27	39	55	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
28	40	56	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
29	41	57	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
30	42	58	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
31	43	59	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
32	44	60	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
33	45	61	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
34	46	62	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
35	47	63	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
36	48	64	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
37	49	65	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
38	50	66	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
39	51	67	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
40	52	68	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
41	53	69	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
42	54	70	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
43	55	71	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
44	56	72	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
45	57	73	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
46	58	74	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
47	59	75	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
48	60	76	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
49	61	77	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
50	62	78	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
51	63	79	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
52	64	80	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
53	65	81	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
54	66	82	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
55	67	83	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
56	68	84	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
57	69	85	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
58	70	86	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
59	71	87	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
60	72	88	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
61	73	89	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
62	74	90	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
63	75	91	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
64	76	92	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
65	77	93	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
66	78	94	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
67	79	95	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
68	80	96	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
69	81	97	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
70	82	98	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
71	83	99	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
72	84	100	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
73	85	101	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
74	86	102	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
75	87	103	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
76	88	104	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
77	89	105	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
78	90	106	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
79	91	107	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
80	92	108	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
81	93	109	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
82	94	110	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
83	95	111	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
84	96	112	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
85	97	113	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
86	98	114	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
87	99	115	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
88	100	116	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
89	101	117	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
90	102	118	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
91	103	119	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
92	104	120	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
93	105	121	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
94	106	122	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
95	107	123	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
96	108	124	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
97	109	125	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
98	110	126	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
99	111	127	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
100	112	128	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
101	113	129	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
102	114	130	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
103	115	131	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
104	116	132	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
105	117	133	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
106	118	134	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
107	119	135	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
108	120	136	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
109	121	137	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
110	122	138	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
111	123	139	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
112	124	140	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
113	125	141	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
114	126	142	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
115	127	143	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
116	128	144	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
117	129	145	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
118	130	146	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
119	131	147	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
120	132	148	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
121	133	149	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
122	134	150	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
123	135	151	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
124	136	152	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
125	137	153	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
126	138	154	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
127	139	155	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
128	140	156	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
129	141	157	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
130	142	158	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
131	143	159	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
132	144	160	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
133	145	161	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
134	146	162	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
135	147	163	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
136	148	164	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
137	149	165	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
138	150	166	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
139	151	167	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
140	152	168	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
141	153	169	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
142	154	170	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
143	155	171	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
144	156	172	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
145	157	173	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
146	158	174	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
147	159	175	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
148	160	176	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
149	161	177	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
150	162	178	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
151	163	179	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8
152	164	180	Harris & Sons 48	121 1/2	505	0	65	8.8	8.8

ماتر افن الاملا

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FINANCIAL TIMES

Tuesday December 30 1975

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MPLA seeks support in Caribbean area

BY OUR KINGSTON CORRESPONDENT

A THREE-MEMBER delegation representing the Luanda-based Movement for the Liberation of Angola (MPLA) is visiting Caribbean and Central American countries in an attempt to obtain more diplomatic and material support in its fight against the forces of the FNLA and UNITA.

The delegation, headed by Major Henrique Carvalho Dos Santos, a member of the MPLA central committee, went to Jamaica over the week-end from Havana where it attended the first congress of the Cuban Communist Party.

The group later left for Guyana, after which it will go to Venezuela and Panama.

While in Jamaica, the MPLA delegation met with Mr. Michael Manley, the Prime Minister, and requested technical and health, livestock development and public administration for areas controlled by the MPLA. Jamaica Government sources have indicated that the Prime Minister is studying the requests.

Major Carvalho also expressed the hope that Jamaica and other countries in the region would recognise the MPLA administration as the government of Angola.

U.S. diplomatic sources in Kingston last night discounted reports circulating here that the MPLA delegation had met with U.S. Secretary of State Henry Kissinger, who came to Jamaica

on Boxing Day on a 10-day holiday.

During his visit to Jamaica, Mr. Carvalho rejected a call by UNITA for a ceasefire in Angola, claiming that the group led by Jonas Savimbi now wanted to stop fighting because UNITA was losing the war. He added that UNITA had recently pledged to fight the MPLA to the death.

Bridget Bloom writes:

WITH BOTH sides in the Angolan civil war struggling to improve their external diplomatic position in advance of next week's special Organisation of African Unity (OAU) summit, sources within the allied anti-UNITA forces of Holden Roberto's FNLA and Jonas Savimbi's UNITA.

A UNITA broadcast from Lobito, monitored at the week-end by the Russian-backed MPLA, reported that the FNLA has been expelled from the southern towns of Benguela and Lobito and that only about 100 FNLA troops remain in Huambo, the joint FNLA-UNITA capital.

The radio broadcast apparently reported fighting between the two movements and declared that the FNLA would be expelled from central and southern Angola within the next few weeks.

While reports of differences and even isolated fighting between units of the two movements are not new, the tone of the Lobito broadcast suggests that the UNITA/FNLA government could now be seriously divided.

However, the broadcast did not mention a meeting which UNITA sources in Lusaka say is to be held in Huambo later this week to review the military and political strategy of the two movements.

It thus seems too early to predict the end of the alliance.

Meanwhile, on the diplomatic front, efforts are being made by both sides to increase their support before the OAU summit. According to MPLA sources, some 15 African countries, including most recently Ghana and Burundi, are now believed to recognise the Left-wing Government in Luanda which, according to its Prime Minister, Lopo do Nascimento, has been promised more than \$100m in different forms of aid from Nigeria, with \$20m in cash already dispensed.

However, while there remains a distinct possibility that more recognitions will be added before the OAU summit on January 10, the ultimate line-up may well depend on external factors. It seems extremely unlikely that South African troops—whose presence in Angola on the UNITA/FNLA side has undoubtedly provoked a number of the recent MPLA recognitions—will have withdrawn by then.

Japanese growth may be less than target

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Dec. 29

MOST OF JAPAN'S independent forecasting agencies appear to believe that the country's economic growth next year will be less than the 5.6 per cent target and forecast announced by the Government last week.

The agencies' estimates for the fiscal year from April 1976 to March 1977—range from a low of 3.8 per cent by Mitsubishi Research Centre to a high of 7.9 per cent by the National Economic Research Association. Five out of six recently published forecasts from the most respected agencies, however, fall below the Government level.

Apart from Mitsubishi, the others are: Yamachi Securities 4.5 per cent, Japan Economic Research Centre 4.8 per cent, Keidanren (the approximate Japanese equivalent of the Confederation of British Industry) 5.1 per cent and Bank of Tokyo (Japan's leading foreign exchange bank) 4.9 per cent.

Most forecasters agree that inventory adjustment is nearing its end and that Government spending and exports will be buoyant sources of demand for the Japanese economy next year.

But consumer spending is generally expected to pick up slowly and capital investment by industry more slowly still.

A fall in the November industrial production index by 1.1 per cent from the previous month and the prospect of a further fall this month have reinforced the arguments of pessimists, who say that Japan's economy is still not making a genuine or sustained recovery.

Rumours of a further cut in Bank Rate early in the New Year, together with a more flexible handling of the Bank of Japan's

"window guidance" controls on bank loans to industry, suggest that the authorities also feel that the economy needs further stimulus.

Ceilings raised

The Bank of Japan, which has been setting quarterly ceilings for bank lending to industry for the past three years, has raised ceilings for the first quarter of next year by 26 per cent, above this quarter for "city banks," the 13 major Japanese banks with nationwide branch networks.

The Central Bank is also said to have raised the city banks' additional loans will be permitted "if necessary"—a remark taken to imply that the ceilings will become largely theoretical.

For this fiscal year, which has three months to run, the Government forecast is that the economy will show a real growth of 2.7 per cent.

This estimate has been arrived at after some adjustment of the 1974 GNP figures, without which the growth rate might have looked smaller. But the estimate is still sharply down from the 4.3 per cent growth originally set by the Government at the end of last year.

Private forecasting agencies, which generally agreed a year ago that the government was under-estimating the economy's likely growth, are now tending to opt for a lower growth figure for this year, as well as next year. A selection of forecasts includes Mitsubishi Research 0.7 per cent, Sanwa Bank 0.4 per cent and Nomura Research Institute 2.3 per cent.

German car industry sales recovering

BY OUR INDUSTRIAL STAFF

STRONG SIGNS of a continuing recovery in the German car industry were evident in statements yesterday from the country's two leading volume manufacturers, Volkswagen and Opel—which have both substantially increased domestic sales in 1975.

However, Volkswagen has made it clear that it expects to suffer another heavy loss, although below the record £140m deficit of 1974.

The German car industry's difficulties are the latest illustration of the general malaise in the European industry, indicated by the £123m loss at British Leyland, which is expected to be followed by losses at Renault, State-owned motor concern.

In Japan, Toyota Kogyo—the producer of Mazda cars—also declared losses of Yen 1.2bn. (about £2m.) yesterday.

Over-capacity

The problem common to all these companies is world over-capacity for European-type small and medium-size cars. Every car company over the last year has found it difficult to sell down to a more appropriate size for the present depressed market.

In addition, Volkswagen has been troubled by a severe fall in the past two years. Interest in the market is bound to recover, even if it takes some months.

Smith Bros., whose chairman, Mr. Henry Marks, describes it as "expansion minded," has increased its dealing list more than once in the past year or so. At the end of 1974, it began to trade in certain textile shares after another large jobber, Berger and Gosschalk, ceased trading and insurance shares have been added during 1975.

One of the two London stock-jobbing concerns whose own shares are quoted on the Stock Exchange, Smith Bros. trades in a wide range of Industrials, Banks, Oils, Gold and Tin Mines and Australian shares.

No official confirmation has been received from Chrysler but members of the sub-committee are optimistic that Mr. Riccardo will attend, although they have no power to force him to do so. Mr. Varley will appear before the committee on the first day of the investigation. If he or any other witness requests it, parts of the evidence which are commercially confidential may be given in private.

The inquiry, which will be carried out by the Trade and Industry sub-committee of the Commons Expenditure Committee, may last as long as five

months and its report may not be until shortly before the House rises for the summer recess in August.

Shop stewards and management of Chrysler U.K. will be invited. Representatives of British Leyland, Vauxhall, and Ford will also be invited to the opportunity to air their views on how the Government's rescue of Chrysler U.K. will affect their sales and production.

The terms of reference of the inquiry are to examine public expenditure on Chrysler U.K., to consider the terms presented to the Commons by the Government's policy towards the company and to see how the Government's policy could be carried out more economically.

The sub-committee, which consists of four Labour MPs, three Conservatives and one Scottish Nationalist, will spend about two-thirds of its time examining witnesses and touring car plants and one-third in drawing up the report.

The sessions are expected to be lively and to throw up some awkward questions for the Government.

Earlier this year the sub-committee produced a highly critical report on the British motor vehicle industry.

At the time of the Chrysler row in the Commons, Mr. P. Duffy, the Labour MP who is chairman of the sub-committee, warned that it would be looking at the deal to see if it represented value for money.

THE LEX COLUMN

Lessons from the Jessel crash

Index rose 4.7 to 368.1

The liquidation of Jessel Securities became inevitable after creditors opposed the reconstruction scheme in the High Court on December 1. Shareholders are now given a post mortem, which will not give them any comfort at all, but which has wider implications for the City.

One obvious point is that the secured creditors, including banks which were owed more than £10m—Hambros had organised a £4m syndicated loan—have come out virtually unscathed: by contrast the Jessel affair amounts to another nail in the coffin of the unsecured loan stock. Unsecured creditors are to get an estimated distribution of just 30p in the pound, spread "over a period of years," which suggests that the present value of the outstanding £10m nominal of loan stock is not much more than £30 per cent.

In a revealing interview in the Investors Chronicle recently Mr. Oliver Jessel concluded that unsecured loan stock issues should be prohibited since "directors, in good faith, can charge the assets." Although the loan stock's trust deed provided that the stock would be immediately repayable in such an event as the appointment of a provisional liquidator to London Indemnity and General Insurance, this in practice was no protection whatsoever. The Board and its advisers satisfied the trustees of the loan stock that a liquidation of Jessel "would prejudice its ability to sell assets and the price obtainable for them."

Therefore a programme of asset disposals was begun, allowing nearly all the secured bank borrowings to be paid off, while protracted negotiations were entered into for a reconstruction. This finally failed to emerge because there was no real advantage to anyone in creating a new holding company over the top of Jessel, which had already been reduced to little more than a bundle of the less easily realisable assets.

The principal cause of Jessel's collapse was the crisis at LIGI, £25.8m. last year as part of a consulting actuary, had valued the company at £20.3m. in 1973. The accounts for 1973-74 claimed that Jessel had been devoted to the matching of investments, but in reality the balance-sheet would have looked much better, since the debt increase in the rental base is example, the Treasury bill issue directed at future years' profits, is being reduced by as much as £21.5m. compared with £150m. a week.

with published net worth at June 1973 £29.5m. And LIGI remains an unsecured creditor for £6.5m.

Elsewhere, losses on investments amounted to over £18m, of which a substantial part related to the associated companies, like Johnson and Firth Brown and Maple Macwoods. In the same interview Mr. Jessel said that "associate accounting is strictly for the birds" and so it is when the associates lean on one another like a house of cards.

Good profit figures combined with the suggestion of a more liberal dividend policy have transformed International Computers' stock market status: the shares have now edged above par to 107p, which is double October's level. In this context, the accounts are uninspiring.

ICH

Good profit figures combined with the suggestion of a more liberal dividend policy have transformed International Computers' stock market status: the shares have now edged above par to 107p, which is double October's level. In this context, the accounts are uninspiring.

So Government support can be phased out smoothly, and there is every reason to think that the forecast profit improvement will materialise. But it might still be rash to count on the maximum gross dividend of 112p, which would have been covered just over three times by last year's earnings, and for the moment the shares look high enough.

Gilts

Bullishness in the gilt-edge market has comfortably straddled the Christmas holidays and the Government Broker was again an active supplier of stock yesterday, probably to the tune of over £100m—mostly of the short term Treasury 10 per cent 1979 "A." There may not be more than about £150m. of the short term left, and it could well become exhausted this week. But the long term Treasury 13 per cent 1997 "A" has not sold to anything like the same extent and it will take a good deal longer for the market to work through all £750m. nominal.

The authorities appear to be willing to let the market edge forward slowly, but the extreme bulls should not lose sight of the Government's continuing need to sell gilts on a very large scale. This is no longer, as in October and November, a question of financing the deficit without putting pressure on the money supply, but rather of improving the balance-sheet would have looked much better, since the debt increase in the rental base is example, the Treasury bill issue directed at future years' profits, is being reduced by as much as £21.5m. compared with £150m. a week.

IBM expands phone business

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

INTERNATIONAL BUSINESS Machines has taken over third of this year's U.K. orders for large private telephone exchanges (PABXs), according to estimates circulating in the telecommunications industry.

This would imply that the computer multinational has approximately doubled its market share within a year in terms of the value of orders for new installations. In 1974, it is thought to have booked up to 17 per cent of the total; there are no official statistics and market share estimates vary.

The market for "large" PABXs covers those with over 100 lines, which are sold direct by the manufacturers; smaller ones are rented by the Post Office.

IBM entered the "large" sector four years ago with the U.K.'s first computer-controlled PABX, the 3750. The move formed part of a concerted attempt to break into the market for large private exchanges in most European countries. IBM has not yet attacked the prime U.K. market. The gradual inroad into voice communications is the world's dominant computer manufacturer has caused considerable apprehension in the telecommunications industry. In

Egg prices slashed to ease glut

By John Edwards, Commodities Editor

EGG PRICES have been cut sharply this week to try to prevent the usual post-Christmas surplus from building up too much. Retail prices of standard eggs should be about 8p down at 32p a dozen, and large eggs 7p cheaper at 35p a dozen.

The price cuts have come earlier than usual in a move led by the marketing consortium, Goldenlay, to stimulate demand while the surplus is still building up rather than after it occurs.

Other producers have been forced to follow, although some believe that there is no need for such severe price cuts.

But the longer holidays this year, with many shops closed for five days or more, have caused great problems, since there is no short-term way to adjust production—the hens keep laying.

The Eggs Authority is planning a £100,000 "start advertising campaign" to start next week, and has obtained Ministry of Agriculture approval for a hen culling scheme, under which a subsidy is paid to producers who cut their flocks.

Smith Bros. to deal in property

By Margaret Reid

A BELIEF that the property market is so "bombed out" that a revival of activity must lie ahead has prompted a decision by Smith Bros. one of the City's larger stockjobbing concerns, to begin dealings in Property shares.

When Smith Bros. adds Property to its list in February, it will become the third jobber to deal in this market, where Akroyd & Smithers and Pinchin Denny now operate. It has the necessary dealers and takes the view that, after the slump in Property share values over the past two years, interest in the market is bound to recover, even if it takes some months.

Smith Bros., whose chairman, Mr. Henry Marks, describes it as "expansion minded," has increased its dealing list more than once in the past year or so. At the end of 1974, it began to trade in certain textile shares after another large jobber, Berger and Gosschalk, ceased trading and insurance shares have been added during 1975.

One of the two London stock-jobbing concerns whose own shares are quoted on the Stock Exchange, Smith Bros. trades in a wide range of Industrials, Banks, Oils, Gold and Tin Mines and Australian shares.

At the time the results were announced both Sir Henry Johnson, chairman, and Mr. Anker would say no more than that Mr. Anker, "at present," retained the managing director's job.

He was appointed in 1972, having made his reputation with the company's Canadian subsidiary. Currently on holiday in Austria, Mr. Anker is thought to be interested in returning to Canada.

There appears to be no obvious long-term successor to Mr. Anker within the company

Bankers see reflation danger in incomes policy

BY ANTHONY HARRIS

AN INCOMES policy which effectively brings down the rate of inflation will stimulate the economy, even if real incomes are apparently falling, according to an analysis published yesterday by Morgan Grenfell, the merchant bankers: but, at the same time, the public sector deficit will become much more difficult to finance in the markets, the bankers warn.

The Morgan Grenfell theory, which contradicts conventional national income analysis, is based on an assessment of the effects of inflation on private people and companies.

Personal savings have risen sharply, contrary to most expectations, as inflation has accelerated. The bankers, who earlier this year put forward the theory that this rise in savings was a response to the falling value of existing savings, argue that reduced inflation will lead to a return to much lower saving and to higher consumer demand.

Companies, they argue, have been inhibited by high nominal interest rates, even where there have been substantially lower than the going rate of inflation. The high money cost of servicing debt and the risk of heavy real costs of long borrowing should the rate of inflation fall, have driven them to cut

down their borrowing and raise such loans as they required from the banks.

At the moment, the analysis states, the public sector is without effective domestic competition in the long-term debt market.

A fall in nominal interest rates, however, accompanied by rising sales, would stimulate strong corporate demand for loans, so there will be more competition in the market for a smaller sum of saving.

These new strains would be imposed on a Government financing operation which is by its nature unstable, the bankers argue. "At present interest rates, the public sector's debt structure is necessarily short, so that it monetises itself at a rapid pace. This creates considerable difficulties for monetary management, and the Government's funding programme has a quite disproportionate effect on the liquidity of the banking system and on monetary growth."

In other words, a reduction in the rate of inflation could increase the risk of an explosion in the money supply, unless the authorities keep interest rates high enough to discourage corporate borrowing and investment.

No MEPC decision on Mr. Anker

BY QUENTIN GUIRDHAM, PROPERTY CORRESPONDENT

MEPC, the property company which ten days ago revealed a £3.65m. loss and a £38m. drop in the value of its investment properties, said yesterday that "no definite decision" had yet been taken about the future role of Mr. Peter Anker, its managing director.

There have recently been several policy disagreements among the 14-man Board, none of which has been resolved. The executive directors, of which include Sir Gerald Thorley, Mr. Angus Ogilvy and Mr. Jacob Rothschild,

management, and a move by him now would coincide with a change of chairmanship. Sir Henry Johnson will hand over to Sir Gerald Thorley sometime in March.

Total capital employed within the MEPC group is shown at £712m. in the annual report. Its major problems, apart from the general fall in property values, have been the expansion of U.K. housebuilding, which showed a trading loss of £7.3m, and a write-off of £5.4m, and its overseas development programme.

Weather

U.K. TO-DAY

CLOUDY with rain or drizzle. Dry at first in E. and S. Mild. London, S.E. Cent. S. E. and Cent. N. W. England, S. Anglia, Midlands, Channel Is.

Cloudy, with a little rain. Wind S.W. moderate. Mild. Max. 9C (48F).

S.W. N.W. and N.E. England, Wales, Lakes, I. of Man. Cloudy, rain or drizzle, but fog. Wind S.W. fresh or strong. Mild. Max. 9C (48F).

Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Moray Firth, S.W. N.E. N.W. Scotland, Cent. Highlands, Argyll, Orkney, Shetland, Ireland.

Cloudy, with rain and hill fog. Wind S.W., gales severe in exposed places, strong to gale elsewhere. Mild. Max. 7C (45F).

Outlook: Rain, falling as snow in N. Cold except in S.

BUSINESS CENTRES

City	Temp	Wind	Cloud	Temp	Wind	Cloud
Amsterdam	12	10	10	12	10	10
Brussels	12	10	10	12	10	10
Frankfurt	12	10	10	12	10	10
Geneva	12	10	10	12	10	10
Lyon	12	10	10	12	10	10
Milan	12	10	10	12	10	10
Paris	12	10	10	12	10	10
Rome	12	10	10	12	10	10
Stockholm	12	10	10	12	10	10
Vienna	12	10	10	12	10	10
Zurich	12	10	10	12	10	10

HOLIDAY RESORTS

City	Temp	Wind	Cloud	Temp	Wind	Cloud
Amsterdam	12	10	10	12	10	10
Brussels	12	10	10	12	10	10
Frankfurt	12	10	10	12	10	10
Geneva	12	10	10	12	10	10
Lyon	12	10	10	12	10	10
Milan	12	10	10	12	10	10
Paris	12	10	10	12	10	10
Rome	12	10	10	12	10	10
Stockholm	12	10	10	12	10	10
Vienna	12	10	10	12	10	10
Zurich	12	10	10	12	10	10

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